



**PARTITION: RAISING THE UNITY
STAKES IN QUEBEC**

CANADA'S WEEKLY NEWSMAGAZINE

FEBRUARY 12, 1996

Maclean's

British Columbia's Quiet Revolution



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CANADA'S WEEKLY NEWSMAGAZINE
FEBRUARY 12, 1994 VOL. 128, NO. 7

CONTENTS

3 EDITORIAL

4 LETTERS

6 OPINING NOTES/PASSAGES

9 COLUMN: CHARLES GORDON

10 COVER

23 CANADA/SPECIAL REPORT

30 CANADA

Ostrowski proposes the delicate task of selling old cars. Ontario Hydro Brian Tobin calls a snap election in Newfoundland.

38 WORLD

The central African nation of Rwanda could become another Rwanda.

46 BUSINESS

The country's No. 2 airline raises the stakes in the battle against Air Canada, the urge to secure future hold is the critical third industry.

50 THE BOTTOM LINE: DEIRDRE McNEIL

70 THE NATION'S BUSINESS: PETER C. NEWMAN

78 EDUCATION

As Ontario braces for unprecedented cutbacks, educators and students prepare to fight back.

82 LIFE

The relocation of Canadian workers to America's Yellowstone National Park draws the wrath of U.S. ranchers.

83 SPORTS

Joele Cheamard confronts her demons at the Canadian figure-skating championships in Ottawa.

88 PEOPLE

90 THE ARTS

Contemporary stage a report on the future of the CAC, the National Film Board and Telefilm.

92 FILMS

Uragi, Kurosawa, Kurosawa, and fear of communism mark three new films.

93 TELEVISION

After Mac's classic evening of age, your look's good on the box.

94 BOOKS

A new biography superbly documents the life of John Diefenbaker.

96 FORTHCOMING

FOR THE RECORD: The author's new book, *The Life of John Diefenbaker*, is available in paperback, \$19.95. The author's new book, *The Life of John Diefenbaker*, is available in paperback, \$19.95.



British Columbia's Quiet Revolution

10 Powered by a booming economy and buoyed by newfound self-confidence, British Columbians are speaking up with greater force than ever. Still, many B.C. residents acknowledge that the "fifth region" is still struggling to find ways to add its voice to national debates.



Raising the unity stakes

22 The secondary idea of partitioning Quebec if the province tries to leave Canada jumped to the top of the national agenda when Prime Minister Jean Chrétien's government agreed for the first time that it might happen. Newly installed Quebec Premier Lucien Bouchard immediately accused Ottawa of mounting a campaign of "intimidation and fear" that would surely backfire.



Showdown time

38 The nine-man race for the Republican presidential nomination has turned hot as the U.S. primary season opens. Multimillionaire Steve Forbes has caught voters' imaginations with his flat tax proposal, and has become the leading threat to apparent frontrunner Bob Dole. Due to a tight voting timetable, the winner will likely be known by the end of March.



LETTERS

Geeks and nerds

I salute your efforts to bring your magazine into the Information Age, but your reporting of high-tech means belies your accuracy. I dare you to publish an article on personal computing that isn't introduced with words like "proclaim" and "techno-nerds" ("Pleasure going into the future," Cover, Jan. 29). The media must share the blame for our schools' inability to move enough young people towards science and technology careers.

Don Brown,
Kamloops, B.C.

As an unemployed job seeker who used the Internet frequently to supplement my job search, I was pleased to read that there are entrepreneurs who are doing something about improving the current disparity of job-search options. In particular, it was refreshing to see more Canadian content being offered to the jobless community.

Harold Mervin,
Windsor, Ont.

The very variety and random trivia you claim makes the World Wide Web less than useful has made it a gold mine of information for me. I am a novelist, and thanks to the Web I am able to see every kind and aspect of animal I need for my work. This has saved me hours of time and money. I am not a young computer nerd but an old-time novelist.

Lennora Andrews,
Toronto

Hope and despair

Sometime soon called experts "people who come from away and bring advice." Your experts operate in the same no-true-suckin' ("Killing the pain," Special Report, Jan. 29) have no answers and not once did anyone consider the possibility that the God is dead theory might have something to do with young people choosing death over life. The majority of teenagers today have no faith in adults, authority, systems or the future, and when they ask, "What else is there?" the answer is no other, "Nothing." If we do not bring God back from the dead—at least for purposes of discussion—we are going to see a hell of a lot more teenage suicides.

July S. MacDonald,
London, Ont.

If the positive aspects of teen behavior could receive as much attention as the splintered



Flipping into the future: a gold mine

Specific aspects—such as our preoccupation with young offenders—a teenager might feel more a true member of our society. At an age when the average learner is undergoing a chemical storm, torn between childhood and adulthood, making academic choices that could affect his or her entire life, teenagers need the support of the larger society, not to be alienated from it.

Sharon Tannock,
St. Albert, Alta.

Charges stayed

I am the former director of public prosecutions for Nova Scotia, and contrary to your statement in "Detecting a tragedy" (Cover, Jan. 29), the workplace safety charges arising from the Westray mine disaster were not withdrawn to clear the way for the public inquiry. They were stayed only after a judge refused the Crown's request for an adjournment of the trial until after the RCMP had completed its criminal investigation. Proceeding to trial in the workplace safety charges would have diverted the more serious criminal charges subsequently laid by the police, since the Canadian Charter of Rights and Freedoms prohibits double jeopardy.

John Proulx,
Oshawa, Ont.

No partition

Diane Francis does not help at all with her column "Let Richard end his separatist career" (Jan. 29). All three arguments about separatism she offers are provocative and useless in trying to refuted contradiction, dialogue and openness among all groups of our society. As a French Quebecer who voted No in Oct. 30, I would be against Quebec

partition, even if Quebec decided one day to separate. The sure that every Quebecer who wish to have a new deal within a genuine Confederation are also against any kind of partition of Quebec. What do Canadians prefer recognizing the French people of Quebec as a state within or another Northern Ireland in North America?

Phemie Fournier,
Laval, Que.

For Diane Francis to compare the Quebec separatists with the Palestinians and their plight is an insult to all Canadians and completely overlooks any other valid points she makes in this subject.

Gerry Richardson,
Pondicherry, B.C.

Diane Francis makes more sense than any thing we have heard from any politician, at any political stripe, for a long while. To follow any course of action other than partitioning Quebec is equivalent to leading a cancer patient to a waiting room where cancerous killers when a trip to the operating room could cure the problem. That is all the essence, and we should get on with it.

Michael Simpson,
Victoria, B.C.

The right glue

It was with dismay that I read "Operation Co-operation" (From the Editor, Jan. 19). Robert Lewis says that "Canadian politics, like the messiah, was in hibernation last week, but meticulously it did not spring back to life. How beautiful it was." I disagree. Politics of all stripes make personal and financial sacrifices to serve. They have their flaws, but if a sufficient number of people do not agree with their policies, they can be replaced. Rather than insult politicians, these people deserve our respect. If for any other reason than to encourage people with ability to run for office, I did not see any "handing over" when new members of the new cabinet, Pierre Claude Gauthier and Corinne Dufour, were recently to talk to students in Hamilton. What I saw were two concerned Canadians who volunteered their time to help with others in finding a glue to bond us together as Canadians.

John Fierman,
Cambridge, Ont.

Madison's welcome readers' column, last letter might added for some and others. Please write name, address and daytime telephone number. Write letters to the Editor, Madison magazine, 777 Bay St., Toronto, Ont. M5W 1A7. Fax: (416) 593-7778.

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OPENING NOTES



Clayton Kopp talking with wives, including Stephanieopoulos (center), at a party.

The hunt for 'Anonymous'

It is the political book of the season in Washington—but no one is chasing credit for its authors are scurrying at the minute period from the newly released *Pressey* Clinton profiles of Bill Clinton's campaign 1992 presidential campaign. The author is "Anonymous," and the capital's rumor mill is working overtime with speculation about his or her true identity. Within a week from the candidate, a bestselling, influential southern governor, identified as Jack Stanton, and his strong-willed, competent wife as Susan—the book never-the-less rings alarmingly true to reporters and pals who were close to that campaign. It is narrated by a Clinton aide, Henry Burton, a character closely modelled on George Stephanopoulos, now the senior White

House press adviser, who insists he had nothing to do with the book.

The publisher, Random House, is no help. Only the author, the book's agent and a well-known to the publishing contract supposedly knew the secret, and they are not talking. As the finger of suspicion points, campaign insiders are lining up on talk shows to deny authorship. Larry King dived on host to the speculation on CNN. A Clinton Washington store owner is trying to perfect as many of the suspects as possible for "a publication party for Anonymous." Clinton himself said he plans to read the book, adding that he, too, would like to know who wrote it. "I must say, I admire the publisher and the author," he said. "This is the only secret I've seen kept in Washington in three years."

Saskatchewan's talent takes over

It is just a dot on the map, but it has produced two of Canada's top stage talents. The capital-sounding town of Indian Head, Sask., population 1,000, located 40 km east of Regina, is home to respected playwright Marvyn Hecker (*Footprints on the Moon*, *Threat of Noise*) and renowned actor Eric Peterson. They know each other as youngsters—Peterson, now 48, was a good friend of Hecker's older brother, Gregg, who died of an aneurysm when he was 32. Now, the writer and performer are being reunited. Peterson had the starring role in Hecker's new play, *Atlanta*, which opens this week at Whapscap's Manitoba Theatre Centre and travels to Theatre Calgary on March 15. He plays a troubled Canadian who becomes involved



Peterson in 'wonderful script'

with a Greek woman (Stephanopoulos). "Eric always had a place in my heart," says Hecker. "Because of his friendship with my brother. The town with my brother for 12 years. They had a dream that one day it would create one that would be right for Eric." As for Peterson, best known for playing Lucas on the CBC series *Street Legal*, he says it was a "wonder" when Hecker, whom he has seen laboriously over the years, sent him a draft of *Atlanta*. "It was a wonderful script," he says. "I couldn't resist her offer to be in it. How could you, when you're from a small town like Indian Head, and you manage to become a professional actor, and someone from the same place asks you to be in her play?"

Where classes are a (bump and) grind

It is not the most convincing education courses. There are no desks or graduation ceremonies. And students are certainly not expected to wear each of a uniform \$40, if they have well they can go to the job paying upwards of \$50,000 a year. The school? Not a school? Stripping—or the free art of "exotic dancing," as those in the industry prefer to call it. "There is a move to dancing then a girl getting on stage and taking her clothes off to dance," says David Park, owner of the Paramount strip club in New Westminster, B.C., which provides the classes at no cost. Park's payback comes from the fact that most of the women become performers in his club—though some take the classes just for the fun of it. He'll do a class a time long for just to move and work with a pole, but

also hair and make-up techniques and how to market themselves. "The women who take this course walk away with a lot more knowledge than just how to walk. They're four-inch heels," says Park, who adds with a laugh, "not that that isn't important, too."



Paramount class: new-movement in four-inch heels

Far apart, but sometimes strikingly similar

University students in Canada and Russia are worlds apart in terms of geography, history and language. But recent studies, in fact, indicate that the similarities between the two groups may be as striking as the differences. University of Toronto sociology professor Marilyn McEwen, who taught at Russia's University of Moscow Novgorod from 1985 to 1993, worked with fellow social scientists at the two institutions to poll 600 students about their aspirations, attitudes and pastimes. For instance, the researchers found that nearly identical numbers of students at both schools (86 per cent at U of T, 87 at Mskm Novgorod) say that it is possible to break the law in some circumstances. They had different ideas about how best to spend their spare time, but the most striking difference was in their attitudes towards their nation's state. While 87 per cent at the U of T students said that Canada was the best country in which to live, only 44 per cent of the Russian Novgorod students selected Russia.

SOME OTHER SURVEY FINDINGS:

	Toronto	Novgorod
Preferred ways to pass free time:		
Watching TV	86%	87%
Living alone and doing nothing	17	11
Going out with friends to hang out	18	1
Reading classical literature	2	17
Conditions for a successful life:		
Earning big	75%	86%
Being a highly educated professional	34	70
Fun and amusement	44	17
Reasons to be proud:		
When the strong beat the weak and defenceless	57%	42%
Laborer triumphs	2	34
Racism	63	14

Edited by BARBARA WICKSON

PASSAGES

DANCE Dancer and actor Glenn Kelly, 43, whose scrumptious dance routines helped define the golden age of Hollywood musicals in the 1940s and 1950s, after a series of strokes, as his Los Angeles home. His most memorable performances came in *Singin' in the Rain* (1952) and the Oscar-winning best picture *An American in Paris* (1951), which featured a 17-minute ballet with Leslie Caron that he choreographed. Kelly also directed several films and starred in non-musicals such as *Margaret* (1956) and *Johnny the Wind* (1957).



KITING Praga ballerina Karen Kania, 46, as principal dancer with the National Ballet of Canada, ending an association with the country's premiere dance company that began in 1990. Kania, who became an artistic associate in 1997, will perform a seven-city farewell tour of Canada.

DANCE Nobel Prize winner Joseph Brodsky, 55, whose "parade" poetry led to his expulsion from the Soviet Union in 1972, is set to return to his home in New York City. Brodsky, who had earlier spent 18 months in an Arctic labor camp, after being convicted of crimes against the state in a secret trial, because of a U.S. citizen in 1977. The years later, he was kept at the Nobel Prize for literature.

SIGNING By Seattle Mariners center-fielder Ken Griffey Jr., 26, a four-year, \$45.7-million contract, making him the highest-paid player in baseball. In his seven seasons, Griffey has a lifetime batting average of .302 and has been voted an all-star for the past six years.

DIED Sally Kellback, 38, the Canadian founder of Modern English Dancers, of a heart attack at her New Westminster, B.C., home. Kellback established MADO in 1982, one year after her only son, then 21, was killed in a car accident by a driver with a record of repeated speeding.

Smoking out who will pay their taxes

Now Scotia finance minister Bernard Douglas seems to have stuck in his hands and pulled out a tax plan. In Vancouver, Douglas eliminated the total sales tax on cigarettes, transferring an equivalent levy to cigarette wholesalers. Early estimates indicate that the move will help the province recover an additional \$15 million a year. Why the increase from what is essentially a bookkeeping change? Glenn Hayes, Nova Scotia's tax commissioner, says simply that the community of 60 non-smoking wholesalers is more scrupulous about recording the tax than the retailers were. "Complicated," says Hayes. "That's the short answer."



POP MOVIES

Box office in Canada according to box office receipts during the seven-day box office on Feb. 1 (in brackets, numbers of screens/shows booked):

1. Mr. Holland's Opus (10/7)	\$102,480
2. Q. Beale Street (11/16)	\$82,220
3. From Justin to Kelly (10/7)	\$79,730
4. Screamers (10/1)	\$42,230
5. Game and Survival (14/1)	\$40,230
6. End of Days (10/1)	\$39,230
7. Bye for the Night (10/2)	\$38,340
8. Heat (10/1)	\$37,230
9. Zulu (10/1)	\$36,230
10. The Yarn (10/1)	\$35,230

Source: National Association of Theatre Owners

BEST SELLERS

FICITION

1. The Christmas Playbook, John DeMott (1)
2. The New Whiteboard, Barbara Egan (2)
3. The New Whiteboard, Barbara Egan (2)
4. The New Whiteboard, Barbara Egan (2)
5. The New Whiteboard, Barbara Egan (2)
6. The New Whiteboard, Barbara Egan (2)
7. The New Whiteboard, Barbara Egan (2)
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15. The New Whiteboard, Barbara Egan (2)
16. The New Whiteboard, Barbara Egan (2)

Compiled by Brian Wilson

NONFICTION

1. The Way of the Wizard, David Cohen (1)
2. The Road Ahead, Bill Gates (2)
3. Gentlemen of the Night, David Cohen (1)
4. The Road Ahead, Bill Gates (2)
5. The Road Ahead, Bill Gates (2)
6. The Road Ahead, Bill Gates (2)
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16. The Road Ahead, Bill Gates (2)

Compiled by Brian Wilson



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Just for a minute, think the unthinkable. Think about what will happen when suddenly you're not there. Will the family that survives you, survive financially?

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You need life insurance whether you're a breadwinner or the person at home. You need to have enough to protect your family before you begin to put money into stocks, bonds, or CDs. Why? Because human beings don't come with guarantees, but life insurance does. Without you, savings could evaporate in seconds. And your family could end up not living the happy life you all planned.

Your life insurance agent can give you a plan for life. A plan that makes sure the things you love will always be there for the people you love. Because no one plans to die, but everybody needs a plan for life. No one knows this better than your professional life insurance agent. Hundreds of people in your community trust your agent with their families' future.



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ANOTHER VIEW



How dumber-down can things get?

BY CHARLES GORDON

The much has been made of the glowing pack episode on Fox TV. But that's no reason to stop talking about it. The network's decision to lead itself celebrator to the pack during the National Hockey League's all-star game can be seen as yet one more example of a growing trend in North American society: the dumbing-down of just about everything.

The overall concept of dumbing-down is not a new one, but the notion that sports can be dumbing-down any further takes a lot of getting used to. We have already seen sports journalism begin to concentrate less on how athletes perform, which takes some thought, to how much money they make, which takes none. Now, a public electronic hour is put around the pack so that television viewers learn where it is and a finding reel is added to it so that those viewers can follow it as it is shot at the rink.

In this country, at least, the experiment received almost universally negative reviews, probably because people were aware that seeing the pack was not really the issue. Unfamiliar with the game, Canadians have no difficulty finding the pack because they understand, by watching what the players are doing, where the pack is. Many fans, in complaining about the experiment, made the misleading point that the people have forced their eyes to the pack, and away from the game. In other words, there is more to the game than the pack.

Something good could come of this, some small refocus. Perhaps last, when they ponder the people pack, will come to a sharper realization of the many ways they have been treated as if they were dumb. From the designed hype to the sheer dumb competition to the scoreboard that tells them when to cheer, fans have had to endure one insult after another on their intelligence, one indication after another that the sports gods—and particularly the television gods—thought they were incapable of appreciating the game on

In politics today, 'what will it cost?' is the only question asked and the answer to it the only one required. Yet it produces a meaningless answer.

its own merits, of understanding what was going on. And if the sports fans who can re-bell in other dumbing-down areas of society be the best?

Let's not even talk about advertising, which has been treating people like marions for more than half a century, and turn to political discourse, which has gradually been reduced to the most simplistic level.

This trend is most evident in the news media's reliance on the reaction story, the coverage of any development converted to the coverage of those who feel one way or another about it. If there is a complicated piece of legislation, for example, the coverage of it will consist of asking different affected individuals and interest groups what they think and reporting their reactions. Watch the reporting of the next federal or provincial budget to see the practice in action. It is a far easier thing to do than report the ramifications and impact, not to mention the contents, of the budget. And it is all being done in the name of the voter/reader/viewer, who is considered glowingly clever to handle the straight goods.

In public life, the dumbing-down has many forms. The television debate is another,

based on the hollow idea that how a politician looks is an artificial environment under the television lights for two hours has anything at all to do with the politician's ability to govern the country. Yet the event is treated with extraordinary gravity by the news media, whose coverage it is, and by the politicians themselves.

Even here, in a climate of evening television, further oversimplification takes place, as the search for the so-called knockout punch, the 20-second sound bite that is better than the opponent's 20-second sound bite and therefore qualifies the one to be a better president or prime minister than the other. Watch, next time, to see an electronic red flame follow the words out of the winner's mouth.

The latest and most collateral bit of political dumbing-down began as what was thought to be an exercise in intelligence around the mid-1980s. Politicians were making so many irresponsible promises, with no regard for their consequences. So it seemed a natural and logical thing to ask the question: what will it cost? Politicians asked the question of other politicians, journalists asked it. Suddenly, North American politics became cost-conscious.

To no extreme, as it turned out. In political discourse today, "what will it cost?" is the only question asked and the answer to it the only one required. Yet it is a dumb question producing a meaningless answer. The components of cost change, interest rates change, weather causes delays, unforeseen circumstances develop—so that a politician saying that a program will run for five years with a cost of \$24.5 million really has not the slightest idea what he is saying and not the remotest chance of being correct.

Yet the question continues to be asked and continues to be answered. It has led to the current obsession with the deficit, with every public policy idea discussed and answered only in terms of whether it will make the deficit go up or down, as if anyone really knows. The deficit obsession is the ultimate dumbing-down of political life.

To be sure, the question of cost is not without legitimacy: even an estimate of cost is better than no idea at all. But it should not be the only question, or even the most important. The most important questions are: what will it do? whom will it help? will it work? Similarly, in abolishing or cutting back a program, the important question is not what will it save but whom will it hurt. The numbers, like the pack, are not the only thing worth watching.

Obviously, there are more difficult questions to answer, requiring more understanding and more study. But the people are capable of understanding the answers if the politicians and the reporters are capable of coming to grips with them. One lesson, with the wisdom of Neesh Lake and the Christies' destiny in mind, should be only too obvious: what happens when the people are treated as if their intelligence can't be trusted.

British Columbia's Quiet Revolution



BY CHRIS WOOD

British Columbia may be 3,000 miles from Ottawa, but Ottawa is three million miles from British Columbia.

T.D. (Daily Press), B.C. premier, 1923-1948

Last week, Canada's national government tried to narrow that distance somewhat. Or perhaps it merely hoped to make it appear as if it were doing so. Many British Columbians were left uncertain which it was. Among them was Myrta Labege. The Vancouver area meeting facilitator has spent much of her time lately promoting her fellow citizens to discuss their country's uncertain future, with a view to making it a bit less uncertain. So it was understandable that when the federal Liberal caucus met for two days in Vancouver's elegant Hyatt Regency hotel last week, it would invite Labege and half a dozen of her colleagues to talk about their efforts. But, in fact, only one of the roughly 200 MPs and senators in the party caucus actually came to listen. Treasury Board President Marcel Masse, who until last month was Ottawa's minister for national

unity. "The impression was that he was listening, and that he understood what we said," Labege said afterward. Still, she added doubtfully, "I'll have to wait and see."

That is what many people in British Columbia are doing. The chance of Vancouver as the site of the one full-scale Liberal caucus meeting outside Ottawa since war was only the latest sign that the national government is paying more attention to British Columbia than it once has in the past. A week earlier, Prime Minister Jean Chretien had named a third B.C. MP (Hefty Fry) to his cabinet. And in December, the government reversed itself and extended a separate constitutional veto to British Columbia—placing it on equal footing with the Atlantic region, Quebec, Ontario and the Prairie provinces—in legislation that was finally passed last week.

Those affirmations of British Columbia's growing importance on the national stage came at a critical time in the province's history. Long the last stop on the road for westward drifters and more recently the first landfall for a steady flow of migrants from overcrowded and oppressive regimes in Asia, B.C. society has acquired

a nature unlike anywhere else in the country. As though its people reflected its geography—disconnected nations as loosely separated by mountains and not joined by the sea—British Columbia's is a culture of patchwork. Remote islands visited with Hindu monks; complete for mental space with the roughnecks and rodeo riders of the Peace River country; Asian traders for values of machopon; Cantonese and Mandarin into civil plazas over what once was a tobacco and mining claim; some only blocks from the kitchen, banded and body-pierced—not to mention marijuana-scented—street life of Vancouver's East Hastings or Granville. Now, enriched and emboldened by 10 years of steady growth and burgeoning connections to the everfascinated economies of the Far East, British Columbia is riding a wave of what historian David Mitchell describes as "vibrating self-confidence." Adds Mitchell, an independent adviser at the provincial legislature: "We referred to this as British Columbia's Quiet Revolution."

The 'fifth region' is speaking up and riding a wave of self-confidence



Newcomer, Fred Mitchell, in the Fisheries portfolio, which must soon undertake a critical shake-up at the collapsed B.C. salmon industry. And while Anderson, Fry and Reynolds Chan, secretary of state for Asia and the Pacific, may indeed account for half the B.C. caucus, the province's representation still does not match even that of Montreal, five of whose six cabinet members hold senior portfolios, including Finance and Intergovernmental Affairs. The critical sixty members of cabinet elsewhere, including not a single representative from the third-largest province. Privately, some federal Liberals suggested last week in Vancouver

The reference to Quebec's pivotal decade of self-discovery in the 1960s is a conscious one. Many observers see a close parallel between British Columbians' emerging sense of themselves as a distinct society in their own right, and Quebec's evolution towards independence. And indeed, the business optimism infecting the West Coast finds one reflection in the breezy assurance, widely held in the province, that if Quebec's separatist mood does lead Canada to split up, British Columbia's 3.6 million people could go it alone—and prosper.

But another, more positive, sentiment is often overlooked—particularly by outsiders. buoyed by their own evident success, British Columbians "are searching for ways they can contribute to a renewed Canada," says Mitchell, adding, "That is something new." So new, in fact, that most of the province's political leaders seem to be lagging behind the initiatives of ordinary citizens like Labege. For some thoughtful observers, in fact, the greater worry now is not that their province will secede or that the rest of Canada will ignore British Columbia's readiness to help reform the nation—but that its own leaders may prove unequal to the historic opportunity they face. "British Columbia," notes Gordon Gibson, a one-time leader of the B.C. Liberal party and author of *Pave the Way: The Future of the West of Canada*, "has the matter and the muscle to play a larger role in finding a solution to the country's problems. The question is whether it will have the leadership. At the moment, it is absent." Compounding British Columbia's leadership problem is the fact that NDP Premier Mike Harcourt announced in November his intention to resign, his party will not choose a replacement until later this month. And it will be several more months before the new leader, or someone else, secures a mandate in a provincial election (page 18).

On the surface, certainly, it is Ottawa that has appeared lately to be taking the initiative to reach out to British Columbia. While in Vancouver last week, federal Liberal cabinet minister for the province's senior minister, Victoria Str David Anderson, from the new party's revenue ministry to the main senior Transport portfolio. With the elevation of Fry, the MP for Vancouver Centre, to the post of secretary of state for multi-culturalism, they added, half of the so-called B.C. federal caucus is now in cabinet—a huge share, though by no other province except.

But the argument rang hollow to many B.C. Ottawa-watchers. In naming Anderson to Transport, Chretien passed him over in favor of placing a

'A separate entity'

Just Shadish, 67, is one of British Columbia's best-known persons. Born in England, Shadish moved with his parents to British Columbia when he was three, and now lives in Nanaimo.

A great deal has to do with the physical grandeur of the landscape—the mountains, the bays, the inlets, the islands. It's physically very exciting. Of course, there is much more to it than that. There is the fact that British Columbia is the last-into point from the centre of the old British Empire. That gave it a kind of drama for the while I was growing up. Equally dramatic has been the influx from the Orient, which is still going on. The third thing is the presence of the Indians. My first work as an artist was my drawings of Indians connected with Indian lore. I hope that my painting captures something of the enigma and mystery of the West Coast, as far from Europe. When you think of Canadian values, one tends to turn towards Europe. Here we're still at the edge of all things.

Though naturally we think of Canada very fondly and fondly, there is still that feeling of B.C. as a separate entity. The thing now that is fascinating to watch is Vancouver growing rapidly into a world city with its connections to Seattle and Portland as an economic bloc facing the Orient.

The Pacific consciousness is very much in the wind. I wish I could help finding a sense of belonging to something that is very important and big.

At large, said veteran politician Allan Rock, chairman of Toronto's Economic Council—"You will get people returning to British Columbia as *La Vie en Rose*. If anything, there's more attention paid to Alberta, because that government is higher profile in the national media."

But if that is so, the impression held in the rest of Canada is seriously out of date. Says Watson, "We're not all out there. We still mean California-like, less structured. We have fewer big corporations. Everybody's more into doing their own thing." And if respondents to a *Maclean's* survey published in 1995 are to be believed, British Columbians are more likely than other Canadians to rate their province as the best in the country, to have read a book lately and to approve of smoking marijuana—but also to forbid someone else from smoking (either pot or tobacco, presumably) in their

house. Still, Anderson is certainly not alone when he suggests the nation's "big tradition in Eastern Canada of regarding the West as a land of cowboys and their descendants, trapping around trying to do 12 hours' work a week. We're not."

In fact, the same *Maclean's* poll noted that British Columbians also led the nation in holding down two jobs at the same time. It is their makeshift economy, not their alternative lifestyles, that many say should command most of the country's respect. It is a strong case. While Ontario and the rest of Canada slowed through an extended recession in the early 1990s, British Columbia's economy sailed forward with scarcely a hiccup, recovering more than a decade without a recession. Faced off on immigration from less favored regions and the Orient, British Columbia's economy in most recent years has been powered by three to four per cent, pushing into such growth sectors as film entertainment, high technology and computer-based media.

Most forecasters predict that the province will lead the country in growth in 1996. Not all the consequences of unrelenting growth have been positive: sky-high housing prices, jammed freeways and vanishing green space in the B.C.-Lower Mainland all come as serious reminders to the corporation (applied by the province's own close advocate of "British Columbia"). Nonetheless, asserts Daniel Savas, a senior researcher with the Vancouver-based Angus Reid Group Inc., "We are an economic powerhouse, and nobody can deny it." That, Savas says, has led to "a new sense of confidence, of importance, a sense that we count here."

It is not just a question of attitude. The health of British Columbia's economy is intimately linked to the changing nature of its society. The unaccounted-for changes are mirrored in industry: so's complete are the same network entrepreneurs who have driven the growing B.C. film and computer software industries. A steady stream of immigrants from Asia—20,000 to 40,000 people a year since the early 1990s—has given parts of Vancouver the look of a melting Hong Kong or a less cosmopolitan Tokyo. It has also fostered a booming trade with the Far East that now accounts for a third of the province's exports. For Asians transplanted to North America, observes Joyce Buschert, national chairman of the Hong

Kang-Canada Business Association, Vancouver's frenetic business life is both familiar and more agreeable than Toronto's stiffer corporate climate. "Vancouver is more like a London," she notes. "You have more cosmopolitanism."

With the proportion of its population having roots in Asia soon to surpass 30 per cent (up from about 11 per cent just 15 years ago), Vancouver's ties with the Pacific Rim are destined to grow ever tighter. They will be reinforced further in 1997, when the leaders of 18 Pacific Rim nations, including the U.S. president and the leaders of China and Japan, meet in Vancouver at the annual summit of the Asia-Pacific Economic Co-operation Group. To Buschert and others, British Columbia's multiplying connections with Asia represent an asset that the rest of Canada has largely overlooked. British Columbians, especially those of Asian descent, are well placed to mature business deals in the Far East. But the province's

In 1996, British Columbia may lead the nation in growth



that the party's weak B.C. branch left Christian little choice in his appointments. But in light of the Prime Minister's readiness to name Quebecers Stéphane Duce and Pierre Gagnon to cabinet even before they have won election to the Commons, Miller was not alone in asking, "Why could it be the government have done something similar for British Columbia?"

Similarly, Ottawa's flip-flopping decision to acknowledge British Columbia as a distinct fifth region, with its own veto before constitutional change, met a mixed reaction in the province. It was meant to placate Anderson, who lobbied Christian repeatedly to undo the change, insisted that it responded to outrage among B.C. voters at the government's original plan to leap the province together with Alberta, Manitoba and Saskatchewan as "the West." The veto, Anderson argued, "is a sign of British Columbia achieving an important status as a province." But at the same time, all three major B.C. parties found opposition to the very premise of the federal initiative. The B.C. minister responsible for constitutional affairs, Andrew Potter, even travelled to Ottawa—the only representative from any province to do so—to denounce the veto initiative before Senate committee as an "abhorrent and ill-conceived," and to demand that it be withdrawn. Instead, it passed the Senate on Feb. 2.

Little wonder, then, that many British Columbians remained far from reassured that their province's concerns have really been heard by the rest of Canada—from their perspective, anywhere east of the Rocky Mountains. "We may have got their attention," commented Minister of Employment and Investment Glen Clark, one of four men and one woman running to succeed Hargrove as NDP leader and premier. "But not sure if they understand." Still more dubious was Julie Watson, senior research director for the Vancouver-based polling company Mark/Red Research Inc. "It's a little cynical. It seems like British Columbia is being overlooked, but the fact is that anything is going to change all this reach."

According to at least one of Watson's professional colleagues outside the province, in fact, life has indeed changed. Among Canadians

'Geography made us'

Ray Henry Wilson, 49, is an artist who lives in Deerbrook Drive, 20 km north of Victoria on Vancouver Island. He traces his heritage to several distinct Indian nations, including the Chin and Kwakwaka'wakw people, and has been a poet.

Transformed, in due and in May, I described the creation of the Salween before July that defines the new Southwestern Community Place near Victoria.

What is unique about British Columbia are the rivers—the Salween, the Fraser, the Skeena, the Fraser. I was born, the Skeena, the Bella Coola, the Fraser. B.C. has natural boundaries on the east and west, the Pacific Ocean and the Rocky Mountains. This geography made us artists, artists that cast a shadow on the artists we study in school, people like Douglas and Chagall. All that art was easy to work as because the area



of food allowed people to concentrate on art and culture. Our supermarket was the land and the ocean. On the Prairies, the people had to move with the game and the weather. Here, we did not have to move. The food was by our doors.

The geography allowed us to build a powerful culture and a complex social structure. It is why our villages can be so old. In fact the 8,000-year-old people today live in a village over 3,000 years old, as far as I know the oldest inhabited village on the North American continent. We have villages that predate the pyramids of Egypt. Another unique thing about British Columbia is that we were the last isolated people in Canada to be taken advantage of by Europeans, and the majority is still very proud. The knowledge of our elders is still within our grasp. You want to know another unique thing about British Columbia? I can go to the west coast of Vancouver Island, take my clothes off and lie in the sunbath on Jan. 1. And I've done it. Not this year, but I've done it.



'A diverse culture'

Jenny Kiam, 30, is a member of Vancouver city council, representing the NDP-backed Oakridge of Progressive Election. Born in Hong Kong, she moved to Vancouver in 1975 at the age of nine.

A preferences are defined in their own way, and certainly believe that recognizing that uniqueness is very important. A number of things make British Columbia unique. Geography is a very diverse landscape. The water and the mountains make B.C. one of the most beautiful provinces in Canada. Our geographic location ties us to our economic advantage. Many people see British Columbia as a gateway to the Pacific Rim. The other aspect that makes B.C. so very unique is the people themselves. We have a very diverse culture, one that makes us one of the most fascinating provinces in Canada.

The people of British Columbia are far more progressive than people in many other provinces. What makes us so very special is our attitude in environmental and ecological issues, as well as issues of racism. B.C. has a long history of fighting for social justice. The trade union movement is very strong, creating fair wages and equity for women has always been important. We are not like the Americans for instance, with the Ralph Klein approach to government. British Columbia will not accept such things. I believe B.C. is the caring province of our country.

industrial range and financial clout are still too small to satisfy the large-scale demands of many Asian trade and investment partners. In response, Vancouver business leaders increasingly seek additional centerpieces in which to play matchmaker between Asian customers and central Canadian suppliers of goods and services. Awards Jack Austin, a trade lawyer and Liberal senator from Vancouver: "What we have in British Columbia is to offer the rest of Canada as a base in the Asian markets where we want to do business. It is a pivotal role."

But there is another dimension to British Columbia's two-decade-long landing with Asia that should resound powerfully with the cosmopolitan Quebecers for their cultural survival. "In our own way, particularly with our changing demographics, we are becoming as much a distinct society as Quebec is," argues Gibson. With that and other common interests in seeing Ottawa order jurisdiction to the province, he adds: "British Columbia is a natural ally of Quebec in terms of the structure of the country."

At the same time, British Columbia stands—and does so entirely willingly—to become a laboratory for the kind of piece-by-piece dissolution of federal powers that the Christian government increasingly seems to contemplate. In explaining how that dissolution is likely to proceed, Anderson, for one, underscores Ottawa's preference for assigning responsibilities to the "appropriate" level of government—not necessarily a provincial one. "The appropriate level of government could be municipal," the minister noted. Or even, perhaps, quasi-municipal since 2002, when Ottawa transferred control of Vancouver International Airport to an autonomous agency sponsored by a locally appointed board; the airport has raised \$200 million in private-sector borrowing to add a third runway and expand its terminal. It has also taken advantage of the federal open skies policy to market itself successfully as a North American gateway for passengers from the United States and elsewhere. Further development, offshore as possible, David Emerson, the airport's director, "is adaptable to a number of other service operations: bars, hotels, parking facilities."

In its unrelenting move toward closer ties with the United States, British Columbia has a further motive to embrace the restoration of the machinery of governments—both federal and provincial. Since 17 B.C. First Nations have launched legal claims. Negotiations involved in the protracted three-way bargaining among native bands, the province and the federal government say that each and land will firm only

Vancouver's ties to the Pacific Rim are growing tighter



part of the eventual settlements. Also on the table are new kinds of native jurisdiction over such existing government prerogatives as resource management, child welfare and education. These will challenge the investment of capital—by but they may also hold the seeds of new approaches to government with the potential for wider application.

Proud of its own accomplishments, bullish about its prospects and acutely aware of its own differences, British Columbia is in no mood to be included—by London, Washington or anyone else—in any vague and abstract blanket Canadianism. "There is a critical mass of population and wealth coexisting on the West Coast," says historian and MIA Mitchell. "Canada needs to hear British Columbia's voice; it can add a bit of texture to the debate." Agrees Angus Reid's Senor: "There is a whole new dynamic out here that has not yet filtered back to the East."

The fact is that, however, does not lie entirely on one side of the Rockies. Among those who agree that British Columbia has been badly served by apologetics for its provincial interests in Ottawa "At

'Always the frontier'

Arthur Davidson, 72, was born and lives in Vancouver. He is perhaps the most colorful of the city's new arrivals, renowned for each week on Roy Thomson Hall in Toronto and the Canadian Embassy in Washington.

We have always been the frontier, and we still belong aspects of it. A lot of the heritage that came in with the settlers from the East had worn off by the time they got out here. We have a greater capacity to experiment. We also have a better climate, and I believe climate has as much to do with the character of the people living here. It's always attracted people running

around in shorts in midwinter. When the snow goes, they'll be in here fast. It's this delusion that we are part of California, and we're not that by any stretch of the imagination.

I think one thing we have to get over in British Columbia is this brand-of-the-western. It's time we took hold of our own lives. This is the place where the dinosaurs are going to be made in the future. We have enormous potential because it's such a desirable place to live. Ottawa is beginning to realize that this is where things are happening. That we do have to share more initiative. We have to get out of our cocoons and start looking elsewhere in the world.



British Columbia's historic hotel, the Empress Hotel, is the oldest hotel in Canada.

the same time as we've been demanding to become bigger players," he says, "very few of our political leaders have any well-developed strategic policy. That is a big failing." NDP leadership candidate Clark tacitly concedes the point. For the most part, he says, British Columbia "has been concerned by what we see as unfair treatment [by Ottawa]. The next step is to say, 'How can we constructively contribute to Canadianization?' I don't think we're there yet."

Reluctant to engage in the protracted national unity debate is not unique to B.C. politicians. It is often easier living on the western edge of the continent, to look out across the broad expanse of the

Pacific than to face the mind-boggling expanse of the mountains to the east: the capital cities of chilly Ottawa, cooling Montreal and chilly Toronto. Of his fellow British Columbian, Mark Tremblay's warning observed: "I don't know that they want to play the central Canadian game of governing. I don't know if they want to deal with all the bureaucracy and compromise and responsibility."

But it is a responsibility that British Columbians will find hard to shirk. They, no less than other Canadians in the hours after the polls closed in Quebec's October referendum, were transfixed by the eerie sense that their country was about to be lost to them. Like it or not, many also saw except that if irrevocable accommodations were reached soon with Quebec, even greater adjustments may be farced on them later—and not much later at that—by Quebec's departure from the federation. And for all their differences, Mitchell observes, "most British Columbians are from somewhere else in Canada." In the shocked aftermath of the referendum, he adds, "The majority of our citizenship really struck home."

British Columbians may have been deeply reminded that beneath their frequently self-absorbed isolation lies a deep attachment to the rest of the country. That that does not mean they are disposed to abandon their conviction that, as Greig puts it, "we only are we different, but we're not in our differences." Other Canadians, they are saying, can choose to listen to British Columbia—and learn something. Or they can choose not to—and risk repeating on the West Coast the historic error of failing to listen seriously to the grievances of Quebec. Amid all the talk of a Quiet Revolution taking place on the Pacific shore, and of a B.C. society distinct from the rest of Canada, it is significant that 12 per cent of British Columbia's population still say by Angus Reid and that of Quebec knows Canada, as should their province. That number, as Marcel Masse might remember, is not far off the proportion of Quebecers who supported independence in the 1980s.

With E. KATIE FULTON in Ottawa and ROBIN JARVIS in Vancouver

'Psychologically, it is a long way away'

John Hinderley, 44, is a freelance Vancouver-based producer who brought *Canada's Greatest Hits* to television. He has also lived in Toronto and London, Ont.

As far back as the 1970s, there was this tremendous anxiety over the fact that British Columbians had to pay a premium for goods and services because they lived in the West. With what has seemed countless over the past 20 years, this premium has now become very self-evident. It has taken its own course and now drives some from the fact that it sits where it does on the Pacific Rim.

There is no question that, emotionally, British Columbians feel distinct and apart from the average Quebecer and Ontario. The focus seems to be a little more geared towards a balance of family, leisure and business. Part of that has to do with the geography and the access to leisure activities—you can be hunting or skiing in half an hour. There is also a completely different pattern in the way that Vancouverians respond to culture: they are highly independent, and last-minute buyers of culture. Vancouver is 10 years behind Toronto as a commercial theatre, and I don't know if it will ever catch up because there are so many more options here. There is this sense that they're sitting at the end of the earth, and in the ocean. It's an over-possessed culture, in question. Every day, I have no idea how the North Shore and drive over Lower Gorge bridge, and I look around and I feel, "We're way out here, we are independent country." Those moments really cut you off psychologically, in a long way away



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Raising The Unity Stakes

Ottawa endorses the concept of Quebec partition

BY HARRY CANE

Gary Shapiro describes the idea as a "union pill," a kind of desperate last resort to avert a looming political tragedy. Anthony Boncompagni considers it a "unity blanket" in disguise, one that we are all trying to remain Canadian. For Boncompagni, though, it is "no tolerance policy against Quebec secession." And Mark Rafter looks on it as simply inevitable: the Quebec outcome of last year's divisive referendum vote. "Quebec nationalists will never be appeased until they get their own land, where they can march and raise their own flag," complains Rafter, a Montreal businessman. "So what the rest of us the loyal Canadians, have to do now is form a new province, a New Quebec that will remain in side Canada—forever."

That view is incendiary, given the rising temperature in the national unity debate. For what Rafter and his fellow Montrealers are advocating is nothing less than the possible partition of Quebec. While they may differ over both the facts and strategy, all agree that there is nothing sacred about the province's existing borders as is. Indeed, each is more than willing to cheerfully carve Quebec into separate and federalist enclaves in the event of a Yes vote in a future referendum on sovereignty. What is more, they are all busily engaged in efforts to raise funds and marshal grassroots support for their cause. "It's time for some tough love," argues Break Tyler, an other activist. "It's time for us to say to our separatist cousins, 'We want you to stay but, if you go, it will have to be negotiated. You have to stop threatening to leave.'"

A Montreal lawyer, Tyler speaks for an organization called the Special Committee for Canadian Unity, one of the most vocal of the new groups. There are at least 10 others in Montreal alone, and perhaps as many as a dozen



Bouchard in Quebec City, intervening first signs of backing away from a hardline approach.

more elsewhere in the province—mostly protesting that heavily federalist parts of Quebec such as the Ottawa Valley, Montreal and much of the Eastern Townships should remain with Canada after a Yes vote. Only last week, another new Montreal organization suddenly appeared, announcing its birth with full-page ads in both English and French language newspapers. The ads, paid for by the Quebec Conservative Party, called on the federal government to promptly find a process—perhaps by referendum—to determine what parts of Quebec would want to remain in Canada after a pro-separatist vote, and then establish an "altered" new province. "It is a tactic to force the separatists to negotiate," says Gary Shapiro, co-founder of the new committee along with Allen Noble, owner of a local power equipment supply company. "We want to stop the uncertainty by allowing people

emerged from a two-day meeting of the Parti Québécois caucus on the outskirts of Quebec City. "For how many years are you really to accuse Quebec to impose this partition that the majority does not want?"

Despite the ominous words, Landry skillfully kept the line going by backing away from what is clearly a new position, saying he is dealing with Quebec's secedability. "The separatist idea is that if Canada is divisible, Quebec is divisible too." Does retirement on his way out of a two-day long federal cabinet retreat in Ottawa. Senior Liberal strategists, in fact, privately cautioned to Mulroney that they considered last week's jump back on Quebec as a perilous but necessary gamble. The timing of Ottawa's aggressive stance came as some members of the cabinet—who would now be associated with the possibility of choosing a cabinet to tackle the disastrous state of Quebec's finances,

Chrétien built a cabinet that was in effect a dynasty war team to combat separatism. Disgraced western Liberal MPs, meeting with the federal caucus in this context, noted that one of Chrétien's 24-member cabinet are from Quebec, including new cabinet Minister Pierre Pettigrew. By the end of the special cabinet meeting in Ottawa on Friday, Chrétien—senior Dion as the post-war had all but convinced his party that tough talk about territorial partitioning and setting the rules of secession, known in Ottawa as Plan B, was a necessary introduction to the Liberal's so-called Plan A, a national unity strategy of job creation and economic growth, deficit reduction and social reform. As one senior party official told Mulroney: "We cannot allow ourselves to be drawn into discussions of all these various scenarios as though somehow they are exclusive of one another."

At the centre of Plan B is Dion, Lowiey and dominantly monopolistic, Dion nevertheless proved last week that he jacks a powerful punch. Advisers in Chrétien's office persuaded him to ditch his ubiquitous blue leopards in favor of a more subtle briefcase, but they have yet to curb the former Liberal's tendency to bluster. Chrétien's cabinet member a Quebec reporter for his definition of Plan A at the end of the first session of cabinet on Thursday, Dion replied simply, "Plan A."

"The rules of secession." Shortly thereafter, Dion invited senior cabinet members and backbenchers to his office. Caricatured Treasury Board President Marcel Massé, chief architect of the national unity package discussed at cabinet last week. "There is only one way to convince Quebecers who may be hesitant. It is to show them that federalism is a system that will give them a better life for themselves and their children. It is the positive return of federalism that we must focus our energies on."

The stream of rhetoric was clearly a deliberate tactic on the part of Chrétien and his more vocal senior cabinet members to answer Bouchard's fledgling province. But it also highlighted the deep divisions within the Liberal caucus and cabinet over how far to push the separatists. One key discussion centres on whether to permit a comprehensive national unity strategy to proceed, or to try to divide it into distinct components. Some senior Liberals, like Human Resources Minister Doug Young, an outspoken advocate of leaving alone the law in Quebec, have clearly gone up on the separatists. "I don't think that if Bernard Landry [Quebec's deputy premier] was walking on St-Catharine Street in Montreal in 13-degree temperatures after three days of the desert that I could sell him a glass of water," Young told reporters on Thursday. "It would be as if



Christie in Vancouver, breaking a taboo.

to know how far to matter what happens in the future, some of Quebec will remain in Canada."

Not long ago, such opinions would have been quickly dismissed or at least quietly ignored among senior Liberals. But that was before Prime Minister Jean Chrétien and his new intergovernmental affairs minister, Stéphane Dion, endorsed the concept of partition early last week. On Monday, Chrétien, breaking an unspoken taboo, acknowledged for the first time that he believes that a Quebec that votes for independence could be divided. "If Canada is divisible, Quebec is divisible," the Prime Minister told a news conference in Vancouver, where his entire Liberal caucus was meeting. "It is the same logic, the logic of secession." Chrétien's remarks followed a similar comment three days earlier by Dion, who ignited a firestorm of protest from Quebec nationalists by claiming that independence could lead at least some of the province's citizens—and perhaps others who support federalism—to decide to stay in Canada (page B6).

Among the first to react was Lucien Bouchard, newly sworn in as the province's premier and leader in inaugurating his cabinet. The premier accused Ottawa of launching a campaign of "intimidation and fear" that would surely backfire. Bouchard's comments were quickly relayed by several of his new ministers. Sylvain Stankard, the province's international affairs minister, even went so far as to warn the rest of the country to contemplate the grave prospect of violence. "If you take a decision that goes against the will of the majority of Quebec's population, it will have to be militarily imposed by force," Stankard concluded as he

'If Canada is divisible, Quebec is divisible'

'Canada is divisible because it is not a real country'

to overcome the fact that Canada is divisible and Quebec isn't as it would be for me to call since Monsieur Landry that maybe Canada is a good place to live." In turn, Duce softened his initial hardline stance on the partition issue by downplaying the likelihood of force as a standard between Quebec and Ottawa. Said Duce: "If not, fortunately we have to negotiate a secession, we must be very sure that things will be done peacefully, quietly, with justice and dignity for everybody."

After brainstorming the list, the federal Liberals will now try wrapping it in velvet. The passage of the controversial veto legislation Bill

C-19, through the Senate on Friday enabled Chrétien to end the current session of the House of Commons and start afresh on Feb. 26 with a three-hour speech to unveil the broad strokes of the Liberals' initial, early agenda. But senior Liberals say the focus of the speech will be on the theme of building a better Canada, a return to the neo-constitutional and neo-consociational agenda that the party promoted during the 1995 election campaign. A federal budget, expected during the first week of March, will further spell out how Ottawa plans to rebalance budgetary and federal ties.

Nowhere is that task more delicate than in dealing with the relationship between Ottawa and Quebec City. In naming his new 22-member cabinet last week, Bouchard signalled his determination to keep a tight personal rein on whatever discussions take place between the two capitals by appointing Jacques Boiron to the post of inter-governmental affairs minister. Not only is Boiron a Mont, committed separatist who has rarely, if ever, crossed west of the Quebec border, he also speaks scarcely a word of English.

If that was not a clear enough signpost of what lies down the road, another occurred late last week when Bouchard donned a conciliatory gesture that had been floated by deputy premier Landry. During English-speaking Canada is not aside all its tough talk about partitioning Quebec, Landry suggested that the PQ government was equally at work as he to build a new Canadian Union. Said Landry: "It's not going to be a hardline approach." But Bouchard quickly quashed any indications of negotiations between Quebec and Ottawa before another independence referendum. In the current over-heated climate, Bouchard said it would be "absurd and hypocritical" to contemplate a negotiated deal. "When they threaten to carve up the Quebec territory, I think we're a long way from reaching reasonable, modest solutions," he told the premier. In Ottawa, the federal intergovernmental affairs minister was equally dismissive about Landry's proposed Canadian Union. "Try again, Bernard," scoffed Duce. "Next time, you will call it Canada."

Clearly, the prevailing atmosphere does not seem to be easing the already prickly relationship between Quebec's separatists and opinion in the rest of the country. Even transatlantic federalists in Que-

SPECIAL REPORT

bec oppose the idea of partitioning the province, according to a poll commissioned by *Macleod's* and *La Presse* newspaper, *Le Soleil* of Quebec City and the Radio-Quebec television network, which found opinion polarized along language lines. While 58 per cent of non-francophone respondents believed Quebec could be divided, only 33 per cent of francophones accepted the possibility.

Certainly, newly installed Premier Bouchard did nothing to help matters with his now-notorious assertion about Canada's artificial and disposable nature. "Canada is divisible because it is not a real country," the premier declared. "There are two peoples, two nations and two territories. And as a nation we have a fundamental right to keep and maintain our territory." Adding fuel to the fire was former prime minister Pierre Trudeau, who, in his strongest remarks to date, accused Bouchard of lying and borrowing from Nazi history in last fall's referendum campaign. In full-page articles published in *Saturday's* editions of *La Presse* and *The Gazette*, Trudeau said Bouchard used "fallacious and attractive" to advance the cause of "hateful demagoguery" and added that as a result, the Quebec premier has fanned public trust.

Duce with father, Liang packing a powerful political punch



"We must be sure things are done quietly"

becian period where a mistake could have had catastrophic consequences. Now, if it's true we started defusing the agenda rather than having them defuse it for us."

That is what many of those behind the new grassroots organizations have in mind. And it helps to explain, in part at least, why these groups are growing with such wild fire speed. Mark Kotler, owner of a Montreal printing firm, helped to found the Committee for a New Quebec in Canada late last year. He now claims that his group has a membership of more than 4,000, 30 per cent of them francophones. In the past two months, the group has sent out a questionnaire asking people if they want to remain part of Canada even if Quebec separates. According to Kotler, of the 2,000 who replied, every one wanted to remain a Canadian: 95 per cent were in favor of partition in the event of separation. "If he is normal about the possibility of moving down the road, he begins to sign," Cotler says. "Canadians have a different mentality about war," argues the Montreal printer. "We're peacekeepers, peacekeepers, negotiators." Given the current climate, there are many in Canada who hope more than ever that Kotler is right.

With E. KATE POLTON in Ottawa and LEE BARNICK in Montreal

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For years, Quebec sovereigntists have argued that three provinces' search towards independence, following a Yes vote in a referendum, would be smooth and orderly. Quebec and Canada would simply negotiate a division of natural assets, settle the Quebec's share of the federal debt without servicing and develop a mutually beneficial economic partnership allowing for the free flow of goods, services and people. And the province's existing borders would remain unaltered. That cozy scenario has always been attacked by federalists—and last week Ottawa added its official weight to that position. According to leading constitutional experts, Canada would be required to protect the rights of anglophones and aboriginals opposed to separation, even if that meant negotiating Quebec's borders and partitioning territory. "Quebec would have two options," says Patrick Monahan, a professor at Osgoode Hall Law School in Toronto who has written widely on the issue. "It could expose its will through legislation, or it could seek force as a viable choice."

Many constitutional lawyers in English Canada say that, morally and legally, the federal government could not simply turn its back on anglophones, allophones and aboriginals who vote overwhelmingly in favour of remaining within Canada. That could lead to demands to partition Quebec along the Ontario border, the Eastern Townships, and northern regions abandoned largely by the Jewish Bay of Quinte and the Inuit. Some extremists, however, contend that a body of international law, based on decisions by various courts, tribunals and arbitration panels, supports their position that the province's borders cannot be changed. But for many sovereignty fans, the debate over borders is more emotional and symbolic than legal. "The language of partition is the language of civil war," says Greg Lederman, a political scientist at Laval University in Quebec City. "Partition pushes Quebec into a corner. It says you either accept the status quo—or is your partition and civil war."

In the wake of a Yes vote, according to most experts, the Quebec government would have to negotiate the terms and conditions of separation rather than declare independence quickly and unilaterally. Sovereignist leaders would prepare a list of items they wanted to negotiate—and, as in all likelihood, they would stipulate that their borders were not negotiable. But University of Toronto political scientist Peter Russell says that even if Quebecers vote Canada could choose to change the nature of the negotiations. Hence, Canada could insist that the words include borders. Likewise, Quebec could not economic partnership on the table. "Lucien Bouchard's own say

Battle Over Borders

Ottawa says it must protect minorities; critics say it is flirting with civil war



Grass hunters in northern Quebec: the debate is more emotional and symbolic than legal

South America. Under this principle, which was also applied when African colonies gained independence from their imperial masters and during the dissolution of the Soviet Union, the borders immediately before independence were recognized as the borders of the newly autonomous states. "In my opinion," says Arbour, "there is no doubt that the likelihood to prevent the existing provincial borders in the event of Quebec's independence is a rule of international law." But some English Canadian constitutional experts argue that this

the whole possibility of partition must be off the table," said Russell. "I don't think that's on."

Since 1982, some immigrants have based their arguments about the sanctity of Quebec's borders mainly on a legal opinion prepared for Robert Bourassa's Liberal government by five leading experts on international law. They concluded that the widely recognized principle of territorial integrity, under which states are entitled to maintain existing borders, would take precedence over the occasional claims of aboriginals and other minorities within Quebec. But the experts also said that the same principle required Quebec's francophone population does not have any internationally recognized right to leave the Canadian Confederation.

Sovereignists rely as well as an internationally recognized principle known as *uti possidetis*, a Latin phrase meaning "that which you possess when you take possession." According to Maurice Arbour, a professor of international law at Laval, the doctrine was developed early in the 19th century to minimize conflict and hostilities as Spain began granting independence to its former colonies in Central and

principle would not be applicable to an independent Quebec, for several reasons. In a paper published in 1985 by the Toronto-based C. D. Howe Institute, Monahan noted that the concept of *uti possidetis* has usually been applied when neighboring colonies moved to nationhood, or a large state splintered into a number of small new states. "One can see how these precedents might become relevant if the Canadian state were to dissolve into a number of successor states and border disputes arose between them," he wrote. "A border dispute between Canada and a province that was attempting to secede would be so entirely different matter."

If international law does not provide firm answers to questions about Quebec's borders, history is even less helpful. In the 1763 treaty between England and France following the English conquest of New France in 1763-1764, Quebec's territory was arguably de-

scribed as part of the people in a certain area say they didn't want to be part of an independent Quebec."

The post-independence scenarios become even murkier when political scientists and constitutional lawyers try to envision what would happen if negotiations fell on its face, and Quebec unilaterally declared independence. At that point, they say, the government of Quebec would have to begin exercising control over its territory, perhaps in the face of opposition or resistance from its minorities. "These groups are in some senses being invited to make equal rights and citizenship within a liberal Canadian federation for clearly majority rights and inferior status in an independent Quebec," said University of Winnipeg political scientist Allen Mills. "Politicians can preach peace, harmony and brotherhood, but what goes on in the streets is something that politicians can't control. This is a situation that, in

spite of Canada's great commitment to peaceable solutions, might produce bloodshed."

For some political analysts, a Yes vote would add another potential wild card—instability in English Canada—in an already volatile area. A Yes vote might mean that people in other parts of the country, especially western Canada, would seriously begin to debate and demand regional interests, which could lead to new separatist movements. "The West represents an impulsive element within Confederation," says Mills. "It might decide to go it alone, particularly Alberta and British Columbia, if they sense the endgame is sufficiently out of control and if they believe they don't really have much say in what's going to happen."

Other westerners believe that regional tensions within English Canada would inevitably escalate because Ontario would suddenly have almost 50 per cent of the country's population. University of Calgary political scientist Roger Gibbins said that English Canada would have to devise a new institutional framework to offset that population imbalance before negotiations with Quebec could even begin. "We would have to come up with some way of handling the

Quebec problem," Gibbins added. "I don't think English Canadians realize how integral Quebec is as a part of Canada. We assume that you can somehow shock Quebec out and the rest of the country can run on more or less as we before. I don't think that's possible." In fact, Quebec sovereigntists could unleash a chain of events that makes it impossible to halt their dream of a peaceful and orderly march to independence.

With DAN HARULSKA in Toronto

SPLITTING UP QUEBEC

Areas of Quebec shown in red—the North, along the Ottawa Valley, most of Montreal, and much of the Eastern Townships—voted No in last October's referendum on sovereignty. Many francophone groups springing up among English-speaking Quebecers argue that parts of the province that would heavily federalist after a Yes vote in a future referendum should stay within Canada.



land as a rectangular swath of land covering part of the St. Lawrence Valley. The British government enlarged the colony's borders in 1774, then cut them back again in 1783 and 1791 as political circumstances changed in what was then British North America. At Confederation, Quebec's territory was confined to lands draining into the St. Lawrence. The federal government ceded land to the province in 1806 and again in 1852 to give Quebec its present land mass, which stretches north to the Hudson Strait.

Arguments about Quebec's post-independence borders based on history or international law would likely be swept aside by the political reality that some regions of the province had voted overwhelmingly against sovereignty in last October's referendum. For example, some heavily anglophone ridings in Montreal and western Quebec voted No by margins of 70 to one or more. Similarly, the James Bay Cree held their own referendum before the Oct. 30 vote—almost 90 per cent cast ballots against joining an independent Quebec. "Bouchard can give all kinds of speeches in the Quebec parliament about not surrendering any inch of territory," said Monahan. "But they can't have a choice when 90



per cent of the people in a certain area say they didn't want to be part of an independent Quebec."

MAGAZINE/SEPTEMBER 12, 1995 37

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Privatization power play

BY MARC McDONALD

Bill Farlinger glanced out of the wrap-around window of his 19th floor office with proprietary restraint. Below the model, Victorian-style provincial legislature looked deserted, not in remembrance of its only guest. Only the day before, demonstrators had descended on its grounds in a last-ditch protest against the omnibus bill that Ontario Premier Mike Harris pushed through last week. "We had quite a few people out there yesterday," Farlinger noted. "But then," he smiled, "it rained." At 65, the laid-back chairman of Ontario Hydro and former leader of its accounting giant Ernst & Young has become one of the most powerful figures in Harris's tight-knit inner circle. As the leading voice to command the premier's ear on economic issues, he has emerged as the economic guru behind the Tory revolution currently slicing its way through the province's spending and services. Or, as one Queen's Park veteran put it, "Farlinger is the guy who sharpens the blade for Mike the Blade."



Ontario Hydro moves towards a controversial sell-off of its assets

But the two-week public uproar over Harris's omnibus bill may prove political child's play compared with the fireworks looming over Farlinger's current task: convincing the board and sale of Ontario Hydro, the venerable \$60-billion Crown corporation that made as North America's largest electric utility. Already, that battle has ignited the 150,000-member Power Workers' Union (PWU) and the province's 36 municipal officials, against the chairman's chief economic backer—another whom he jawed for a price of the action in what is likely to become the country's largest privatisation. "I can guarantee you that every single investment bank is looking at it," said Toronto venture capitalist Andy Schara, a former member of Hydro's board "and having up their sleeves."

For Harris, the light over Hydro's future could not have come at a more opportune time. As an Angus Reid Group poll last week reported that his government's popularity had plummeted sharply by some points to 44 per cent, his aides worried about trying to sell a no-name stock, according to their own confidential surveys. His virtually no support among voters. "You will see what the bumper sticker is for the privatisation of Ontario Hydro," quipped one newspaper. "Understand what I mean? That I haven't figured out how you tell people what the benefits of selling a public utility."

Ironically, the push for privatisation began under Harris's socialist predecessor. In 1989, NDP premier Bob Rae hired former Peter-Carr-



Farlinger (left), Toronto's E. & Y. Harris privatising station interest from south of the border

(It chairman Maurice Strong to overhaul the blasted provincial utility which was losing hundreds of millions in a \$34-billion debt load—largely the result of overbuilding costly nuclear plants. Parting the province's constitution, Strong also cut about 7,000 staff and restructured the organisation in what he now admits was a move to pave the way for its eventual breakup and sale to private interests. In fact, it was Strong who hired Farlinger to head a committee to look

into the prospects for privatisation. He says he wanted a candidate who had the confidence of the Conservative leaders, and on that count Farlinger more than qualified. In 1990, he had headed up the last rising effort for Harris's long-held leadership campaign, joining five other business supporters in personally guaranteeing Harris's campaign debts. But Farlinger had even more solid credentials for the task: the retired Tory leader's vice, his nephew. Bob King, a native of North Bay, has been Harris's executive assistant ever since Harris took to the legislature in 1988.

Farlinger admits that when he first took over Strong's office to look at Hydro, he had no preconceived ideas. But by the time he presented his report last summer, there was no doubt about his sentiments. In fact, when Harris started his to the chairmanship in November, it seemed that he was still "an uncommitted" signal that the utility was headed for the auction block. While Farlinger admits that he has never liked Harris' "express a bottom-line view on Ontario Hydro" he

does not attempt to hide his own enthusiasm for driving up its generation, transmission and distribution arms and selling them all off over a five-year period. Asked if he considers privatisation inevitable, he merely shrugs. "I don't know why this should be the last publicly owned company in the country," he says. "They're out of date."

Still, Harris has gone to considerable lengths to show that his mind is not made up. On the same day that appointed Farlinger, his government announced a new-member Advisory Committee on Competition in Ontario's Electricity System under former federal energy minister Donald Macdonald, a well-known Liberal and respected Bay Street corporate lawyer, who will submit a report by the end of April. But Macdonald also happens to be Farlinger's longtime friend and former squash partner. And as he recalls, the night of the two sit-ins, five-and-a-half players together in the University Club locker room once presented a fellow athlete to join. "When Farlinger and Macdonald got in the room, there was just one man left."

Over time, in fact, the Power Workers' Union has been posing similar questions in a less quotable way. Indeed, PWU president John Marmey noted that, as the Liberal-appointed chairman of a royal commission into the prospects for Canadian hydroelectric free trade in the early 1980s, Macdonald had preoccupied his own inquiry, coming out negatively for "a lot of talk" in the fall of 1984—a year before he was fired from the report. And he accused Macdonald of supporting that "pre-concept strike" last month even before the opening of public meetings on Feb. 15, the committee chairman addressed to a Globe and Mail reporter that he did not "feel that nobility there has to be government ownership" of Ontario Hydro. In an interview with *Maclean's* last week, Macdonald was more circumspect, declaring that he was still "an agnostic" on the subject. But he said he was cautious of the need for competition in provincial power generation.

Equally disturbing for many critics is Macdonald's own, as the boards of at least three corporations that stand to benefit should be

assessing on the grounds that the move was illegal. Hands headed in his resignation anyway last week, branding the attempt unethical and corrupt. But Farlinger admits that he personally recommended the criteria to cabinet and is unrepentant about trying to send Marmey before the labor leader's own highly exposed. "I don't think union members should be on the board," he said.

Still another concentration threatens to spark rapid news even among Canadians outside the province: the spectre of an American company buying the consortium of the public utility that organized by Sir Adam Beck in 1960—the most governing nation at Niagara Falls. Not is that scenario far-fetched. Almost 100 levels had been filed with Macdonald's committee by last week, one of the largest came from the Southern Co., a cash-rich Atlanta-based firm, which, like as U.S. rivals, has been on a three-year shopping spree for foreign utilities. "We're looking for opportunities to grow outside the United States," confessed Walter Fink, vice-president of Southern Electric International, a subsidiary with business interests in Canada. "And we'd be very interested to invest up there."

But the most controversial U.S. firm currently courting Ontario Hydro is one with a high-powered link to Harris himself: Houston's Enron Corp., the largest U.S. natural gas company, which has struck interest sale deals in the Philippines, India and Kuwait. Enron's chairman Kenneth Lay, is also a former field raiser for his longtime political partner George Bush—who now sits on a \$1-billion bet in the Northwest Territories with Harris last July. "They're eager buyers," said Farlinger, who asked Enron's Houston headquarters two years ago. "And I believe they have made their interests known to Ontario Hydro." Given those stakes, Macdonald likely no means say as he deliberates the utility's fate—a decision that will be scrutinized in a due to Harris's other privatisation schemes. As he and Farlinger are only too well aware, it is Harris who holds the key to the province's electric wires has power added. □

Rhetoric on the Rock

Newfoundland's new premier hits the hustings

As tensions during last week's Liberal convention ebbed in the provincial riding of Humber East in Corner Brook, Nfld., the spirit of the legendary Joey Smallwood seemed to permeate the air. At the microphone, a petulant son Brian Tobin, as a surprise's stance, was a full-on "fisher" in the words of local fishermen. The crowd, mostly composed of people, or just because they agreed with the sentiments, but out of sheer delight at the entertainment on offer at the podium. The four candidates running for the nomination, having already shown respectable anti-rs skills, watched rapidly as Newfoundland's newly minted premier gathered steam and described them with this flourish: "Never in my district in the Humber area, or any district in Newfoundland and Labrador, for that matter, any district in North America or anywhere around the globe, have we ever seen four such battle-hardened candidates on the stage at the same time."

The Liberal faithful had gathered to select an opponent for Newfoundland Conservative leader Lynn Verge, a 45-year-old Corner Brook lawyer who took over after the party helm last June. A former minister in the government of Brian Peckford, Verge was thought to be gaining in popularity as former governor Clyde Wells and his Liberals. But she was thrown off balance by the last minute of events in the past month's year-end renaissance of White, the speedy ascent of a state with a reputation for its fisheries minister Brian Tobin as party leader and premier; and, finally, Tobin's soap cell last week for an election on Feb. 22—the first white provincial vote in Newfoundland since it entered Confederation.

The reinvigorated Liberals now find most of their fight in the province against Verge—they want her political head. Peckford is important in Newfoundland, and Verge, after all, spoiled Wells's 1988 election victory by handing him personal defeat in Humber East. Bringing him to call and was a by-election in the early 90s had been riding.

On this occasion, Tobin spoke without notes, conjuring up emotion from the early

Liberal glory days—and carefully evoking the Smallwood pedigree. "I suspect it's a former number from this area were here, one who goes back to the great Confederation debates of 1949, he'll be saying right now 'There's a hand, on the Humber!'" Tobin's invitation elicited the desired response, and as he continued, "it'll be so long as that the Humber's running red, and he'll be saying so goes the blunder, so goes the province. There's no doubt in my mind that the Humber

deep passion grounded in past events. Reminding people of his successful battle last year against Spanish fishers fishing off the Grand Banks, his message is simple: trust me, I won't let this happen."

At least in the campaign's early days, the Conservatives seemed to play into Tobin's strategy. On Wednesday, for example, a front-page story in *The Evening Telegram* cited an unnamed source suggesting that partners in the fisheries industry all projects had already decided that a Nova Scotia site had been selected as the transshipment point for Hibernia's crude—a move that would have cost Newfoundlanders 30 jobs and potential tax revenues. The paper said the announcement had been made because of the election, prompting Verge to suggest a coverage war in the weeks.

Between scheduled campaign events that



Tobin with Verge (right) campaigning on campaign

er and Humber East is going red, Liberal and is three-to-one in 1990." More applause. Ironically, though, Tobin is campaigning not just against Verge's Tories in this election, but against the Smallwood legacy as well. Smallwood, who ruled the Rock with an iron hand from its entry into Confederation in 1949 until 1972, bunched much of the province's wealth from Newfoundland's huge mineral deposits, and signed the 1980 Churchill Falls hydroelectric contract that gave Quebec additional access to Newfoundland hydro at bargain-basement rates for 40 years. Now, with the over-expanding estimates of the massive nickel and copper deposits in Vasey's Bay, and with promising new oil developments, Newfoundlanders appear once again poised to reap their resource heritage. Accordingly, Tobin's campaign slogan, Tobin on two trails ingrained in the Newfoundland psyche: "once paid and a

starting. Tobin would like the pieces (eventually) before his first CBC radio interview of the day. He then used that interview to accuse Verge of showing "the first signs of panic." The odds continued and by the time television reporters caught up with the campaign bus for an afternoon session, Tobin's detractors had grown even sharper. "The suggestion that a decision has been made on the transshipment facility and that it has been commissioned to government is a lie," and Tobin. He declared unequivocally that the facility would be built in Newfoundland, and pointed to the "Canadian" (Hibernia's gravity-based structure if the partners later said they had no such intention).

As dissolution, Tobin's Liberals held 25 seats, compared with 15 for the Conservatives and one for the New Democratic Party. Verge suffered an early setback when two

Tory MLAs—both former cabinet ministers—deserted ship Bill Matthews, head of the party's election resources committee, quit politics, while Rick Woodford—an at one time Newfoundland institution—crossed over to the Liberals. As Woodford told Matthews last week, "It really started when people in my own district started approaching me asking questions about whether the party was going anywhere."

Verge, however, is a seasoned and campaigner. Last week, she crushed a Tobin supporter at the early morning shift change at Corner Brook Pulp and Paper, vying in subjects darkened for handshakes and support from workers living in their township's four-by-fives. She has demanded a series of debates (Tobin says just one) and even more audaciously challenged the center in a debate last week in Humber East (Tobin will make a second Web's Web's Web's).

Taking his cue from the success of the federal Liberals in 1990, Tobin last week released a "red book" of election promises. Stephen Tumbler, a political science professor at Memorial University, said the platform marks a departure from Wells, who had tried to wean the province from its dependence on primary resources. Instead, the red book places more emphasis on the traditional side of the Newfoundland economy, with its promised creation of a new department for natural economic development, and a separate ministry of fisheries and aquaculture. At the same time, Tobin has already shown a penchant for doling out election goodies, including a \$5-million centre for tertiary studies in Corner Brook.

Not to be outdone, Verge is promoting an ambitious program to provide training for fish plant workers. The plan would cost an estimated \$25 million annually.

Despite the handshakes in the fishing sector, Tobin called the election at a time when the Newfoundland economy is showing some signs of recovery. The province's unemployment rate stood at 16.3 per cent in December, down from 21.3 per cent a year earlier. None of that, however, makes it any easier for Tobin to campaign in places like La Sore, on the Bay Verte peninsula in northeastern Newfoundland, where he was defeated last week with a much more muted response. The fish plant at La Sore—which at its peak employed 600—was idle, and Tobin arrived with little hope for any quick change in its status. The crowd remained subdued despite the new premier's unfolding track for conducting his crusade last year against foreign overfishing.

"I wish someone would come out and say we're not talking about 98, we're talking 2000," local fishermen Ray Winkless said at the outbreak for reopening the devastated cod fishery. "Then the young people would line up to it and really start rebuilding." For Tobin, a master of political rhetoric, it was a poignant plea for a little fish tale.

BYRON B. MACLEAN in Corner Brook

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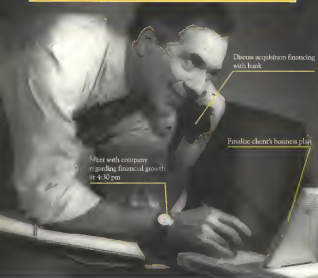
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Canada NOTES

JOCKEYING FOR POSITION

Federal Conservative Leader Jean Charest will draw an offer to help the Reform party during the Bloc Québécois as official Opposition—after Reform Leader Preston Manning said that his party "is not interested in backroom deals with anyone." Following Louise Beaudin's resignation last month, the Bloc and Reform each hold 52 seats in the Commons.

SENATE SINCERE

Shirley Mahon, 64, one of two Montreal Liberal MPs to resign their seats last month, so Prime Minister Jean Chrétien could appoint two new Quebecers to the cabinet, secured her reseat as opponent to the Senate. Mahon will earn the same salary as an MP—about \$64,000 plus an expense allowance—until the mandatory retirement age of 70. With her appointment, there are now 51 Liberals, 50 Tories and three independents in the Senate.

OPENING THE PURSE STRINGS

In a provincewide TV address, Alberta Premier Ralph Klein declared the provincial deficit, which stood at \$3.4 billion three years ago, closed. Revealing that his government will enjoy a budget surplus of \$270 million this year, Klein announced several new spending initiatives, including increasing full funding for kindergarten.

A WARNING FROM THE BENCH

Ontario's three most senior judges—Charles Dubin, Roy McMurtry and Sidney Linden—wrote Attorney General Charles Harnick warning that proposed budget cuts could "seriously limit public access to justice and put at risk some of the most vulnerable members of our society."

THE BERNARDO TAPES

Ontario court general division Justice David West ordered Paul Bernardo's lawyer to turn in videotapes of client's crimes so they can be destroyed. The tapes show Bernardo and his ex-wife, Karla Homolka, assaulting Kristen French, 15, and Leslie Mahaffy, 14. Meanwhile, Ontario Court of Appeal documents filed by Bernardo state that he consents to Sept. 1 conviction in two counts of first-degree murder "unwillingly" and his life sentence "unwillingly."

END OF A DREAM

The CFC, ended its three-year expansion effort into the United States and approved the acquisition of the only remaining major American team, the New York Rangers. The team's owner, Madison Square Garden, is owned by the same group that owns the New York Yankees and the New York Jets.



BRAVING THE COLD: A barely Wussipogger makes his way down an ice-fogged downtown path amidst -41°C temperatures. About 60 latter commuters in suburban Wussipogger got a break when postal officials decided that it was not safe to let them walk their routes. At week's end, record-shattering temperatures continued to blanket most of the country—including Calgary, where the city was experiencing its longest cold snap in 87 years.

Lessons of Somalia

Appearing before a public inquiry into the actions of Canadian soldiers in Somalia in 1992-1993, retired major-general Lesma MacKenzie testified that, in hindsight, it might have been better for Canada to have avoided the intervention and remain in the troubled African state. "Then, at least, we wouldn't be here," said MacKenzie, who was commander of the army in Ontario in the fall of 1982 in the Canadian Airborne Regiment, based in Petawawa, Ont., trained for the Somalia mission.

The inquiry is looking into what happened before, during and after the Airborne's ill-fated tour of duty, during which Canadian soldiers killed two Somalis, including a teenager who was tortured and beaten to death. MacKenzie told the inquiry that he still believes the Airborne was the best unit to send to Somalia—despite concerns raised before the mission by former Airborne commander Lt-Col Paul Morneau about serious discipline problems in the ranks. He said that he also agreed with a decision by Brig-Gen Ernest Denis in September, 1992—five weeks before the Airborne was deployed—to fire Morneau because of concerns about his leadership. "There's no way," he said, "that I would have sent a commanding officer where there was the slightest hint of a doubt" about his capabilities.

sum by Brig-Gen Ernest Denis in September, 1992—five weeks before the Airborne was deployed—to fire Morneau because of concerns about his leadership. "There's no way," he said, "that I would have sent a commanding officer where there was the slightest hint of a doubt" about his capabilities.

Seeking redress

Fifteen child abuse victims of a native residential school in Port Alberni, B.C., launched a suit against the school's former operator, 35-year-old Arthur Francis Plant, the federal government and the United Church of Canada. The victims are seeking unspecified damages for sexual assaults that took place at the school in the 1960s. Last March, Plant was sentenced to 11 years in prison after pleading guilty to 18 charges of indecent assault dating from 1948 to 1966, in passing software, B.C. Supreme Court Justice Douglas Eppert described Plant as "a sexual terrorist" and said that the Indian residential school system was "nothing but a form of institutionalized pedophilia."

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SHOWDOWN TIME



Multibillionaire
Forbes, at the
center of contention

The corn stable from last fall's Iowa harvest is based on a new whiggy barney prairie wind that presidential candidate Phil Gramm's handlers have projected the political grassroots he seeks on this occasion—less than three weeks away from a crucial electoral showdown in a white draw here, house a Democratic drive from Cedar Rapids and up a less steep slope in Iowa. The visit is based on Gramm's itinerary as a bipartisan table media event, so three TV crews and a dozen other reporters stand now in the home of Laura and Mike Stehrick, "unofficial Republicans" and their four small children.

Deceit—actually in the dining room, with coffee and banana bread as a lace tablecloth—is strained by the media pen. The children sidle away as Gramm holds up a chart to show how the Stehricks would gain from his budget-balancing plan. "If I am president, the federal government is going to spend less and families are going to spend more" is his punch line. "After six, you own it." At their parents' struggle to join the dais, the Stehricks say they are impressed but still undecided.

The table talk. ("Most people make their budget decisions right at their kitchen table," explains Gramm as one of five clarifications wraps that the under-represented from Texas stages across eastern

Forbes turns the Republican race into a battle



ON ASSIGNMENT
CARL MCGILLIS
IN IOWA

lowers that day it is part of his increasingly desperate pursuit of early front runner Bob Dole, the Senate majority leader, while trying to hold off surging senator Steve Forbes, the multibillionaire magazine owner-editor, in a now-rare race for the Republican party presidential nomination. The party's Iowa caucus polling on Feb. 12, and primary election balloting in New Hampshire eight days later, are important early steps in deciding which Republicans will take on Democratic President Bill Clinton in the national election on Nov. 5.

On the day that Gramm called on the Stehricks, overlooking eastern Iowa grain with both Dole and Forbes to attend other, bigger gatherings, it happened that Forbes followed Gramm into Iowa City and Dole into a Mississippi river town called Clinton. Forbes outpaces each of the senators by scores of more than two to one in audience counts. And late last week, a New Hampshire opinion poll for the Boston Globe put Forbes on track, favored by 31 per cent over likely voters to 22 per cent for Dole, with Gramm down among the single-digit obscurities. All the candidates agree that the ultimate November election, with the political tilt of Congress as well as the White House at stake, will shape America's long-term future and, as Forbes maintains, "have world significance." Into the red ink millennium, he tells

swarming from crowds in both Iowa City and Clinton, "If America is to self-confident, forward-looking, dynamic, energetic nation, the rest of the world will quickly follow our example."

The way to follow-up: Forbes' new television video, his fifth rapid and appealing voters in an articulate monologue, has a simple starting point. The central plank of his platform—virtually his only point in the early running—"flat tax" for the abolition of graduated income tax and the adoption of a "flat tax" rule. In his version of flat long-held opinion, the federal government would levy a simple 17 per cent tax on income and salaries only, with no deductions, allowances or credits beyond standard amounts of tax-free income for individuals and families.

What assumes priority, Forbes' reality—and given his celebrity treatment in the American media—is how a senatorial social by accident outsider with no election-campaign experience has risen so quickly with an idea that many others in many places advocate. Forbes, before party leader Preston Manning in Colorado, Gramm's right form for one, makes a 16-point flat tax, although unlike the Forbes plan, it would tax investment income and retain personal deductions for mortgage interest payments and donations to charities. Senator Richard Lugar of Indiana, another Republican presidential candidate, proposes scrapping federal income tax altogether in favor of a 17 per cent national sales tax. In January, a Republican presidential nominee by Dole and headed by former cabinet secretary Jack Kemp recommended a simplified tax system. Texas Republican Richard Armey, majority leader in the House of Representatives, is a veteran fiscal advocate who has predicted that the aim will be a major issue in the national election campaign—perhaps not expecting that it would rise so loudly to an outsider's borrowed idea in the presidential nomination contest.

What sets the Forbes proposal apart is its apparent simplicity. "You will be able to file your tax return on a postcard," along with his claim that everybody wins. But more than that, Forbes promises his plan, as a pension, a solution to ease America's ill—from crime and unemployment, to poor schooling and the collapse in family values. He has shown he has a detailed grasp of foreign policy issues and generally responds to outside Republican positions on particular social issues. But he still manages to attribute most of the country's woes to Washington.

"We are frustrated today," Forbes explains to his Iowa audience in his stock stump speech. "People don't understand why two incomes in a family can't seem to do the job that one income could in previous generations. The American people also don't understand why the quality of life in our country has been under such assault for the last 30 years—on our morals, on our efforts, for our families."

He insists that the distinction often drawn between values and economics is false. "The changes that I am talking about in this campaign all over the house, the core of giving individuals more control over their lives—more opportunity, more responsibility, more power to steer their own destinies." At present, he says Washington stands in the way and socialism in Washington is particularly vicious. "The only thing to do with this monstrosity is to scrap it, kill it, drive a stake through its heart, bury it and hope it never rises again to terrorize the American people." Forbes declares to loud applause "America this monstrosity with a simple flat tax," he advises, and "The American people will be keeping more of what they earn and will be making me up at many government institutions—not only more jobs, but better-paying jobs."

Replying to critics who say that his scheme would require revenue and threat attempts to balance the federal budget, Forbes seems to contradict his argument that the flow of tax money to Washington is the root of most evil. ("The power to tax is the power to destroy," he says.) In fact, he maintains, the tax flow to Washington will grow. "The change that I am talking about will reduce the federal deficit," he says. "When the American people's tax burden has been reduced, government expenditures go up." The important goal that people have more money to invest in savings, stock and bond markets, which stimulates industrial expansion, creating more jobs and, therefore, more taxpayers.

This contention is flouted from Reaganism, the so-called supply-side theory that fiscal Reagan carried off the White House 15 years ago. The "cherry part of the Reagan deal" was that 1981 tax cut, says Jack Kemp, the former NY governor's back, congressional and cabinet secretary Dan Rostenkowski who told Dole's tax commission staff, as

CHASING THE PRIZE

Unless the red-in-the-face rhetoric of a Pat Buchanan, a Bob Dole or an Alan Keyes counts for all talk-show shovels as well as candidates, there is a chance among the new aspirants seeking the Republican Party nomination for the U.S. presidency that the trouble may be in the jury. The question whether any of the new could follow Democratic Bill Clinton, an adroit and eloquent campaigner from his late-career ill-placed of borrowed credibility and seasoned liberal politics. A quick rundown:

THE BIG SIX

SENATOR ROBERT (BOB) DOLE, 72: His cv shows how his front-runner status from the start of his third run for the White House (after 1980 and 1986), a guest among political pilgrims. As a member of Congress since 1961, a senator since 1980 and Senate Republican leader since 1985, he is an adept pilot of legislation. But younger partners ask if the sage old return is the proper leader of a party now in the grip of a radical rightism opposed by most of his rivals.

MALCOLM S. (STEVE) FORBES, 48: The author of the business magazine Forbes and vice of America's richest men (worth an estimated \$700 million), he jumped into the race in September with a one-note message: replace graduated income tax with a single "flat tax." His only other apparent asset, with politics in wide dispute, is his novice status. By January, polls rated his Dole's chief challenger.

SENATOR PHILIP (PHIL) GRAMM, 52: Since entering Congress in 1989 as a Democratic representative, and as a Republican senator from 1985, the former Texas state economist has battled to defuse federal budget deficits, limit harmful federal policies into Texas psychology. Aesthetically sound, at least in a generally, his campaign's central theme.

PATRICK (PAT) BUCHANAN, 57: In his 1962 run for the senate, the talk-show campaigner mild against abortion, loose morals and crime. This time around, he urges like a labor leader against the loss of manufacturing jobs, blaming free trade. He scores well in the Deep South and Far North, mainly in Louisiana and Alaska.

LAHAR ALEXANDER, 52: Former Tennessee governor (1975-1987) and federal education secretary (1987-1992), he won a senate campaign, power to the states and subsidized private schooling. He features a glad staff and Nashville gospel on the campaign. Dole in a recent name-recognition poll, he drew mostly blanks.

SENATOR RICHARD LUGAR, 62: A naval intelligence officer early in the Civil War and as Indiana farmer, he has focused on arms and agriculture as a senior since 1977—the former senatorial power under subcommittee. He says he is thus best bet to lead the "two issues on which our future really depends—nuclear security and fiscal sanity."

NO CHANCE, BUT FORCING DEBATE

REPRESENTATIVE ROBERT (BOB) DORNAN, 55: The former fighter pilot was rebounded from an Iowa House 75 and, since 1977, in the military personnel, he pushed through a law to discharge 1960s-era military personnel, including "young voters, people who stood whoopie, or housewives."

ALAN KEYES, 45: A Harvard doctoral graduate, a former U.S. envoy to the United Nations and a Maryland radio host, the currently lone African-American male against abortion, affirmative action and the absence of guidelines in government.

MALCOLM (PATRICK) STAY, 51: The owner of the nation's biggest wheat-raising business in Illinois, he offers to downsize the federal bureaucracy by one-third in 18 months.

leader of a Washington think-tank, Empower America, is a Republican guru. Forbes is chairman of Empower America. And he decided to take the list tax supply-side route to the leading edge after Kemp declined to run. Forbes supports his argument that supply-side tax cuts generate more revenue by noting that, over the decade of the 1980s, the federal income tax take almost doubled (even at that, the record shows that it grew at a slower pace than total national income).

Forbes' only success on the campaign trail has provided personal attacks from his Republican and media critics. His single God-faith and supply-side economics. Forbes' aim at the media's headline's self-interest over payoffs, Dale declared last week. "This election is not for sale. It doesn't go to the person who goes to work in a helicopter." Dale has also hit him for lavish spending while in charge

of Radio Free Europe in the 1980s. Forbes' only government job, his previous, dated off in Reagan's day as "neocons economics," is dismissed as what candidate Lamar Alexander, former Tennessee governor and federal cabinet secretary, called "a nasty story."

Forbes' unbridled response, of course, isn't the "Washington insider" to do it.

Dorsey has early signs, though, Forbes does a hard road against the insiders. Dale is said to have New York locked up and is the most "presidential" of the candidates. Among the raised Graham is strong in the South, including his staunch Texas base. And if Forbes prevails against his fellow Republicans in the nomination race, he then will face an insider with a reputation as a more formidable campaigner, Bill Clinton. And there remains in the wings a potential challenger in Ross Perot, the independent spoiler who scuffled Republican George Bush's re-election chances four years ago by upstaging all conservative scoundrels.

Clinton and his Democratic received fresh encouragement last week that the party's next by Newt Gingrich's Republicans in the 1994 congressional election may have been, after all, a passing petal oil bet on instead of an enduring earthshaking quake in American society, as Republicans see it. In Oregon, against the predictions of the Republican and neutral pundits, Brent Dorn and Bill Wyden, a former congressman, beat conservative Republican Gordon Smith, president of the state senate, for a U.S. Senate seat. Wyden captured the seat, vacated last fall by Bob Dolewood in the face of sexual harassment charges, by a margin of less than one per cent of the statewide vote. But he is the first Democrat to represent Oregon in the U.S. Senate in 35 years. And he won a campaign elected in both sides by the two national party organizations as a test run for the presidential and congressional elections in November.

But in February, the only political certainty is that Americans are in for some more months of the extremely not exhilarating exercise of U.S. democracy. To outsiders it may seem excessive, as it does to many half of the 250 million eligible voters who will not bother to vote in November, if past patterns prevail.

Still, there are some heartbeats even to non-voters of the franchise. Bessie Ann Mary Taylor, the daughter of the dark horses in the Republican race, found a surfer's way to pull in a crowd—\$2,000 lucky-draw prize at his meetings. And there are another perk: After Phil Graham's visit to the Strickland home, he flew from Cedar Falls to the Mississippi border town of Bradford in Iowa's southeast corner. He landed a house, he lived with his wife and his son, the local Eagles Club. Heard former FBI killings attended. Asked after words for his feelings about the candidate, Gittens beamed and bowed and he said, "I don't double back in politics." But it was a good hour, he said, priming. "And the price was right." And there was no tax. □



Gramm (right) with the *Steffecker* still undecided

A TIGHT TIMETABLE

The nine Republicans competing for the right to challenge Bill Clinton for the U.S. presidency next November are entering the showdown stage of their nomination struggle. Began last week in Alaska and Hawaii, the schedule of state primary elections—set as in Iowa and a half-dozen other states, of hundreds of precinct caucuses—spans 16 weeks. But the winner is likely to emerge in less than half that time.

The process, governed by 50 different state laws and varying local party rules, is designed to choose the 1,084 voting delegates to the Republican national convention in San Diego, Aug. 12 to 15. Clinton, supported by any of his fellow Democrats, goes through the molasses in a parallel procedure leading to his party's convention in Chicago, Aug. 26 to 29. The voters will decide the fate of the rise Republican hopefuls by choosing among potential convention delegates committed to a candidate or, as in Iowa, expressing preferences directly in a poll. In some places, the statewide winner takes all delegates; in others, delegates are apportioned according to candidates' share of the votes. Sharply, some states allow registered Democrats to vote in Republican primaries, and vice versa.

The early Iowa caucuses and New Hampshire primary, although representing only a tiny proportion of the national party membership, may provide initial momentum to the eventual winner. At the head, they seem to win the field. (This year, Louisiana sought to upstage Iowa by holding its caucuses first, but only Phil Gramm and Patrick Buchanan have campaigned seriously there.) With the 1996 timetable of primaries and caucuses more tightly compressed than in previous presidential election years, the Republican nominee is expected to be decided before the end of March at the latest. By March 28, when California Republicans vote in the most populous state's winner-take-all primary, almost three-quarters of the remaining vote will have been allocated. Here is the timetable for the February polls, which will be crucial testing grounds, and the biggest contests to follow.

DATE	KEY STATES	DELEGATE VOTES
Feb. 6	Louisiana	26
Feb. 12	Iowa	26
Feb. 20	New Hampshire	16
Feb. 24	Delaware	12
Feb. 27	Arizona	39
	North Dakota	16
	South Dakota	16
March 5	Georgia	40
	Mississippi	37
March 7	New York	162
March 12	Texas	123
	Florida	95
March 19	Illinois	59
	Ohio	57
	Michigan	57
March 26	California	163
April 12	Virginia	53
April 23	Pennsylvania	73
May 7	North Carolina	54
	Indiana	52
June 4	New Jersey	40



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A Hutu mother and injured daughter near Bujumbura 'never again'

numbers of militia extremists on both sides. While tribal hatred has simmered for decades in the region, ethnic clashes intensified in October 1993, when Tutsi soldiers murdered Burundi's first freely elected president, Melchior Ndadaye—a Hutu. In the wake of violence that followed, 13-year-old Tutsi Hilda Niyangana witnessed her own parents brutal and butchered, then dumped in a public lotus. Hutu rebels also killed one of her younger brothers, while another survived by hiding in a pile of rotting corpses. Marguerite Nshimuramba, a 12-year-old Hutu, saw her parents shot, then died in her uncle's house just in time to witness his killing before she found refuge at a displaced persons camp. The two girls are among 300 at a shelter in Kibeho, 40 km east of Bujumbura.

Such relief efforts are diminished now that aid workers have become the latest target of the warring parties, who explicitly feel inhibited by foreign witnesses. At least 115 aid workers among the 40 groups operating in Burundi have died since 1990. The International Red Cross was forced out of certain areas after it became a key focus of militants, who killed one UN volunteer in November. Workers from CISM, Canada, as well as World Vision, have vowed to stay for the long haul despite threats and other harassment. World Vision's Betty de Jong, 44, of Hamilton escaped unhurt in November when three armed men grabbed her Landcruiser. "So far, no Canadian has been hurt during a robbery and so what have been lost," De Jong said of her frightening experience. "They're just after trucks and goods. But as we become more cautious, they will probably become bolder."

With international action on hold and aid groups running scared, many analysts believe the stage is set for a catastrophe in Burundi that rivals the 1994 Rwandan genocide, which is still unresolved. Nearly 250,000 Burundians have joined the nearly two million Rwandians already to return home from their places of refuge in Tanzania and Zaire—though a 2,000-strong UN presence in Burundi was designed to assist their resettlement. Canadian groups are now withdrawing three months early from the Rwandan mission, a protest against the United Nations' acquiescence to Kigali's demand that it reduce the international force. "It is a sign of our concern that the Security Council has not yet fully absorbed the lessons learned from the recent past," said Ottawa's UN envoy, Robert Fowler. An attempt to learn from history has moved aid workers to sound the alarm bells in the wake of last month's rash of 20,000 Burundian refugees in Burundi to Tanzania. "No responsible figure will be able to deny surprise if genocide erupts in Burundi," says Andrew Nankson, a leading African aid worker. For Nankson and other concerned outsiders, "never again" means right now.

NORW MURKINS with LOUIE FUSHER in Ottawa and RICH ANGLIS in Vancouver

WORLD

AFRICA

Burundi on the brink

Ethnic fighting sparks alarm over a new genocide

In the wake of Nam genocide in the Second World War, most of the world won't "never again." But that pledge is sounding distinctly hollow in a decade that has seen Bosnia's "ethnic cleansing" and the massacre of more than 90,000 civilians in Rwanda. Now, as the last 100,000 Canadian peacekeepers leave Rwanda, a rising chorus of aid workers and international leaders is warning that similar genocide has already begun in the neighboring Central African nation of Burundi. Rwandan-style ethnic tension between the 85-per-cent Hutu majority to Burundi and the Tutsi minority—which runs the army—escalated two years ago to a civil war that has so far killed nearly 300,000 and displaced 200,000. The vicious cycle of massacres and reprisals has forced entire villages to flee in fear. Rape, blood and rape plantations lie abandoned. Thousands of wounded lie dead in relief camps near the capital, Bujumbura, and around the country.

Yet last week, the UN Security Council rejected Secretary General Boutros Boutros Ghali's call to status an emergency mission force to Zaire or Tanzania to protect civilians, choosing instead more diplomacy, delay, and—according to many critics—total failure. "This situation is well known to all major political powers in the world—there's no excuse this time," says Dane Toyne, executive director of World Vision Canada, which

has 26 relief workers in Burundi. "How many children are going to have to die?"

The United States has responded with diplomacy and a proposal for outside military intervention. Ambassador to the United Nations Madeleine Albright returned from a recent visit to Burundi saying the country is "on the verge of national suicide." But choosing its lesson more than the latest urban in Somalia thus the failure to take action in Bosnia. Washington has made it clear it will not send troops to the area, offering more logistical help to other countries. A frustrated former president Jimmy Carter has accused the West of inaction, pointing to the 20,000 Americans currently protecting the peace accord in Bosnia. France, unwilling to repeat its post-1994 decision during the Rwandan crisis, has led the European mission: to enter no support question, where the combatants have shown no inclination to stop and talk. And Canada, sympathetic to calls for a UN standby force, is waiting for the world body to file a new report on the crisis from the monthly Sub-Committee on Africa. Secretary of State Clinton: "We support the United Nations, but our paramount objective is political dialogue to prevent further bloodshed. We have made a case to France and Times they should be looking at ways of power sharing."

Total that entirely unprecedented occurs, in seconds are caught in a war driven by racial

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POLAND GETS A PM

Poland's president asked a free-thinking ex-Communist to become prime minister after the country's two governing coalition parties agreed on him. Włodzimierz Cimoszowski, an expert in international law, is a former leader of the coalition's Democratic Left Alliance, a grouping of former Communists. But he is known for his independence from the alliance's policies, and so was favored by its partner, the Polish Peasant Party. Previous prime minister Jacek Gierzyński resigned in order to fight allegations he had been a Soviet spy.

CALMING AN ISLAND DISPUTE

Long-running tensions erupted between Turkey and Greece over ownership of a four-island island in the Aegean Sea. The United States stepped in to off-ice the crisis before Turkey sent its navy to take force, known as Kardak in Turkish, where a Greek flag had been flying. Both sides agreed to keep their flags and troops off the island until after U.S. negotiator Richard Holbrooke pays a visit to the region.

DEADLY DISASTERS IN CHINA

At least 100 people were reported dead when 120 tons of dynamite blew up in an apartment building in central China. The blast reduced the building and 40 others to rubble in a densely populated area southwest of Beijing. And in an isolated, mountainous area of Yunnan province, a further 500 km southwest, an earthquake with a 7.3 magnitude killed at least 100 people.

COLOMBIA'S DRUG SCANDAL

Colombia's crusading chief prosecutor said he would present new evidence linking President Ernesto Samper's government to drug traffickers within two weeks. Samper, faced with calls to resign over new allegations from his former defense lawyer that he took campaign money from the Cali drug cartel, had asked a congressional panel to reopen its shelved probe into similar charges made by another ex-adequate last summer.

FIRE GUTS LA FENICE

The Italian government decided to rebuild the renowned Venice opera house to Venice after fire destroyed its elegant interior, often called the most beautiful in the country. Flames belated set off by an electrical short circuit shot 50 meters into the sky, smacked against an ornate chandelier and raising drive to help reconstruct the 284-year-old theater, whose name means, fittingly, the Flower.

World NOTES



Injured Sri Lankan office workers seeking help in Colombo after the Tigers

A terror attack in Colombo

A suicide bomber detonated a truckload of explosives in downtown Colombo, killing more than 25 people and wounding 1,400. The explosion, which occurred in front of the Central Bank building in the Sri Lankan capital, ignited several office towers, leaving scores of workers burned, bloody and dazed. Authorities were quick to blame the terror act back on the Liberation Tigers of Tamil Eelam, who have become notorious for suicide bombings during their 12-year separatist war against Sri Lanka's Sinhalese majority. The deputy defense minister announced that two Tamils had been arrested in connection with the blast, and suicide kits and a disposable radio transmitter had been seized. The Tigers rarely admit responsibility for terrorism.

President Chandrika Kumaratunga said the attack was an act of desperation by the Tigers, who have recently suffered a series of military setbacks. She claimed they are losing support among moderate Tamils who back her plan for limited autonomy. "This unfortunate incident has once again reminded us that the threat to Sri Lankan society by terrorism must be firmly dealt with," declared the president, who after being elected in 1994 insisted peace talks that the Tigers later pulled out of. Terrorism, she said, "must be eliminated."

Defense Minister G. L. Peiris promised to intensify military operations against Tamil rebels

in the north and east of the country. "This calamity underlines the paramount need to defeat the Tigers," he said in a news conference. The separatists are fighting for a homeland in northern and eastern Sri Lanka, two thirds of kilometers away from Colombo, a port city in the southwest.

No more tests

France announced it would cut short its nuclear testing program in the South Pacific, saying it has fulfilled its goal after deterring so out of a planned eight blasts. "The security of our country and of our children has been insured," President Jacques Chirac said on national television. But the decision failed to appease Asian leaders who condemned the so-called nuclear tests. Paris has carried out three test September. A Japanese spokesman said he deeply regretted that France defied the international community in conducting the explosion, which Australian Prime Minister Paul Keating termed "an outrage." Having completed its policy objectives, France is now pushing for a total ban on testing, pointing a finger at countries like the United States that wish to retain an escape clause in an international test ban treaty now under discussion. It would permit the detonation of miniature charges, or other tests in exceptional circumstances.

HIGH ANXIETIES

Canada's No. 2 airline raises the stakes in a costly struggle against Air Canada

BY TOM FENNEL

When he stepped into the job of president at Canadian Airlines International Ltd. four years ago, Kevin Jenkins decided to learn the ropes the hard way. The fuzzy-beaked graduate of the Harvard School of Business served drinks on a flight from Calgary to Toronto, nearly drove to death morning bagels and even cleaned the toilets on a Boeing 747. Since then, the energetic 39-year-old has spent most of his time plotting strategy in Jenkins's continuing strategic assault against Air Canada. Lately, things have not been going well. The Calgary-based airline lost nearly half the seventh consecutive year in 1995. Now, frustrated shareholders and some of Canada's unimpressed waiters—who poured \$200 million into the company in 1992 to keep the airline flying—are demanding the president's resignation. Jenkins, however, says his critics should show more patience. "There will be a mutual agreement one day."

Unfortunately for Jenkins, that is exactly what he has tried to do. He has been told that his airline was poised to make money in 1995. Instead, when the company reports its latest annual results next month, it is expected to add another \$185 million to the more than \$1 billion in losses it has piled up since 1990. With pressure on Jenkins increasing, the airline's 10 directors last compounded its 10th consecutive loss with a call for his resignation. Jenkins has the full confidence of the board—the 10 directors.

Nor is Jenkins allowing his airline's massive losses to temper his competitive instincts. In October, Montreal-based Air Can-



Aboard Canadian Airlines' new shuttle service, avoiding a rival's key market

ada decided to smelt its lucrative western route, offering low fares and dozens of new flights between Calgary and Vancouver. Last week, Canadian retaliated with an all-out bid to capture a larger share of the lucrative business market in Air Canada's backyard. Called The Canadian Shuttle, the new program offers two-for-one tickets, wide seats and hair-style meals on 74 shuttle flights a day between Toronto, Montreal and Ottawa.

The latest skirmish is a continuation of a power play that intensified after Ottawa and Washington signed a so-called open skies agreement in February 1984. The treaty allowed U.S. and Canadian carriers to compete head-to-head in any market in North America. Since its implementation, both airlines have added dozens of new domestic and in-

ternational routes. According to Great Southwest, Canada's vice-president of passenger marketing, the airline believes that business travelers who use the new shuttle services will be more likely in future to take long-haul flights on Canadian. "Where the real battle is won," he says. "Is winning customer loyalty?"

Canadian needs all the loyalty it can enjoy. Traffic on the airline increased by 48 per cent last year, up from 37 per cent the year before. But, Air Canada, which expects to post a profit of \$80 million in 1995, says its passenger traffic fell by 31.7 per cent. In western, meanwhile, apparently because both airlines are in a fight to the death and have dumped their holdings with abandon, Canadian's shares have fallen from a \$8-

week high of \$8.12 to last Friday's close of \$5.55, while Air Canada's stock is down from \$6.24 to \$5. "The tape tells it all," said Ted Larkin, an airline analyst with RBC Dominion Inc. in Toronto. "The market's concern is about the domestic scene, where there is an ever-increasing level of competition."

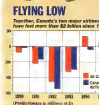
Like many investors, Air Canada president Holts Harris is convinced that the Canadian market is simply too small to support two international airlines. In an inter-

view last week, Harris was still facing about Canadian's decision last August to launch a nationwide seat sale from the Calgary-Toronto route. For example, eastern fares were as low as \$229, compared with a regular economy fare of \$3,129. The Air Canada president calls the seat sale an act of desperation by an airline that needed to raise extra cash. If Air Canada matched the discounts, but, in the end, the sale shed deeply into both companies' revenues. In fact, Harris maintains his company would have earned \$100 million in 1995 had it not been for the price war. "We were forced into discounting fares in 1995 to keep Canadian from dominating our markets."

Now Harris is pushing Transair Canada, which will operate what appears to be the two air lanes out of Toronto to North America, to step aside and let the two carriers dig it out in the offshore market. There would be a loser, but Harris says it's time to let the market decide which company deserves to survive. "We fully intend to be prepared to step out any time we're able," he adds.

Federal regulators have, in fact, allowed increased competition on some international routes. The latest showdown began at Vancouver International Airport in December when an Air Canada Boeing 747 encountered with "Mackinac Island Airlines" in Chinese characters to name chosen to avoid confusion with Canadian Airlines' took off for Hong Kong. Air Canada, which for decades was shut out of the Asian market, now operates 18 flights a week to the Far East, and is lobbying Ottawa for the right to fly more often. Canadian, however, has concentrated with an array of new international flights to cities as far as served by Air Canada, including Chicago and New York. The competition for passengers appears certain to become even more intense in 1996. "We're going to be very aggressive against Canadian in all our [Asian] markets," says Harris. "We will do what it takes to get our share."

But the real point of the air war has now clearly shifted to the heavily travelled domestic corridors in Eastern and Western Canada. Harris says Air Canada is competing out on its home turf.



on these routes, but also against American Airlines—which owns 25 per cent of Canadian. And he insists that American, which has three representatives on Canadian's board of directors—including Detroit-born Dan Carney, the president of American Airlines—is now calling the shots. "Canadian is battling over their operations (and) more every day to American Airlines," said Harris, an American citizen who speaks with a pronounced Georgia drawl.

Jenkins notes that Harris's accusations are just old, well-understood ploy to undermine his airline. He notes that while Harris

complains about another airline competition, Air Canada has many more U.S. routes than Canadian has—60 compared with 14. Harris appears to be prepared to step out just about anything that will hurt Canadian Airlines' beleaguered position. "We believe there should only be one international carrier out of Canada. That has to be Air Canada."

Jenkins also suggests that Harris may partly responsible for the firm's losses. Although he was Canadian, he kicked off the battle by reducing fares last summer. Air Canada continued to slash prices until the bitter fall season. "Since then, Canadian has kept cutting in an attempt to build traffic during the winter months. Institutionally a slow period." "The most expensive source is a single industry," Jenkins. "This is something Canadian has been asking for for a long time."

That may be so, but Jenkins still has many enemies among his company's investors and employees. On Jan. 26, a group identifying itself as the Canadian Airlines Shareholders Action Committee issued a strongly worded letter in The Globe and Mail to complain about the company's performance. The ad called on Canadian to address the "credibility of its top management," and urged disgruntled shareholders to send their complaints to the board of directors in Toronto. Larkin is not surprised by the widening opposition. He points out that in a vestment of \$1,800 in the company nine years ago, when the stock was at its peak, would be worth a mere \$4.20 now—a 99.6 per cent drop.

Daniel Park, president of the later national Association of Mathematicians and Aerospace Workers in Vancouver, is also complaining loudly. The union's 5,300 members in Canadian were among 16,000 workers who walked away from pay cuts and went to \$200 million of their own money to keep the airline flying when it neared bankruptcy four years ago. (As a result of this agreement, 80 per cent of the company's shares will have been turned over to Canadian employees and managers by August, 1997.) Park said with Canadian sinking further into the red, Jenkins should accept responsibility and resign.

For now, that appears highly unlikely. "We believe that the criticism is unfounded," he added. "The airline's directors said in their statement last week. 'If it continues, I'll will have an adverse effect on the company.' Jenkins himself brushed aside the shareholders' protest, noting that the stance of the adversarial committee underlines the fact that Canadian's president said these complaints likely have more to do with the fact the airline is currently in contract negotiations with the union. But if the airline continues to lose money, the criticism is sure to become hammer-and-sledge. Canadian's young pilot may soon need a parachute." □

Playing in the big leagues

The urge to merge is taking hold in Canada's mutual fund industry

It's a stylish black-and-white television commercial, the mutual fund manager Mike Delaney stands in an unusual setting—a cornfield. The reason becomes apparent when the narrator describes how she invested \$5 million in 1995 in the stock of Agrivest Inc., an Alberta fertilizer company, only to see it trade in value over two years. The ad aired during last month's Super Bowl, as part of an aggressive 1997 marketing campaign by Spectram Mutual Funds Inc.—now Canada's 13th-largest mutual fund company following last summer's merger of United Financial Services with Spectram Mutual Funds Financial Services. "As a small company, we didn't have the marketing budget for television ads," says Allen Marple, president of Spectram United, explaining one of the key benefits of the merger. "I believe that the mutual fund business is going to be a big boys' game."

The belief that bigger means better is rapidly gaining momentum in Canada's mutual fund industry. In December, AGF Management Ltd. completed a \$148-million takeover of 30/20 Financial Corp. to become the fifth-largest player. In 1994, Capital Management Corp. took over Bolton Tremblay Funds Inc. to become the 22nd-largest fund company. Various other mutual fund acquisitions have been hyped as larger takeovers, such as the purchase of Montreal Trust by the Bank of Nova Scotia and Royal Trust by Royal Bank.

Industry observers say the merger trend among fund companies is likely to accelerate this year. The push to consolidate follows an explosion in mutual funds over the past five years, with assets rising to more than \$140 billion. Investors now face a bewildering choice of more than 900 mutual funds in Canada, or 1,200 if the figure includes similar life-insurance-segregated funds and labor-sponsored funds. "We just don't have enough investment dollars to support all those funds, even though the industry is growing like crazy," says Gordon Page, author of several personal finance books.

The increased competition has prompted

major companies to spend heavily on marketing so that brokers and financial planners can sell their funds more easily. That has made life difficult for some of the smaller companies, since financial advisers tend to follow only a limited number of fund families—mainly the big names such as TriMark Financial Corp. and Alkermat Investment Services Ltd. "The comfort level with consumers is with the larger companies,"

the right opportunities came along," he says. Peter Brewster, editor of the Canadian *Mutual Fund Adviser* newsletter, says he would not be surprised by an American takeover of a Canadian company. "Canadians have half as much per capita in mutual funds as Americans do, so there is potential there," Brewster says.

Although consolidation means less competition, bigger can sometimes be better for consumers. In theory, merging two funds with similar investment objectives should result in a reduction of overall administrative costs. Those annual charges—covering management fees and legal and accounting expenses—appear sizeable to investors because they are deducted directly from the fund's assets. "This is the really big fee but a lot of people don't know it," says Young. "Every dollar lost in expenses is a dollar more in return for the investor. If a fund gains 10 per cent and charges just two per cent, then the net return is eight per cent." Young notes that BPI used to be known for high fees, but its charges have fallen dramatically because of efficiencies created by the 1995 merger with Bolton Tremblay.

On the downside, takeovers can create headaches for consumers. In 1993, major mutual fund owner Mrs. Kinney of London, Ont., started buying units in the Bolton Tremblay landmark Sordal Seed Fund on the basis of the track record of the fund manager, John Sordal. When he took over Bolton Tremblay, he replaced Sordal with a new manager and changed the name of the fund to BPI Canada Small Companies Fund. "It's all too confusing," says Kinney, 38, adding that he is willing to see how the new fund manager performs before considering whether to switch out of the fund. With more mergers ahead, it will pay for investors to stay alert.

say Steve Kemm, mutual fund analyst with Nesbit Burns Inc. For fund companies, being one of the big boys also means gaining clout in the securities market. It's here the best portfolio managers, who are paid a percentage of the assets they manage. "Obviously they [fund managers] are interested in the large players who can bring in hundreds of millions of dollars, not tens of millions," says AGF Management vice-chairman John Myers.

Duff Young, senior vice-president of Midland Walwyn Capital Inc., says that he expects to see mergers this year among companies in the modest \$1-billion-to-\$3-billion asset range. "I think TriMark Fund Management and Elliot and Page could stand to benefit from buying other fund companies, and I think they would be in the market if

THE TOP FIVE

Canada's largest mutual fund companies ranked by assets in billions

1. Investors Group	\$19.3
2. TriMark Investment Management	13.8
3. Royal Mutual Funds Inc.	12.3
4. Mackenzie Financial Corp.	11.7
5. AGF Management Ltd.	7.7

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BUSINESS

Mississippi blues

The Loewen Group's near-death experience in the state of Mississippi has brought new meaning to the term "capital punishment."



THE BOTTOM LINE

BY DORRINE MCMURDO

The B.C.-based funeral services chain wobbled on the brink of bankruptcy last last month when a rumour with some local tads from Bloom turned ugly. Loewen Group, grading early paid out \$240 million in the eleventh hour to resolve a dispute over a funeral insurance contract. But the company's biggest shame never has been lost. It's now stuck with a hefty tab for the settlement. Even worse, the whole episode has badly bruised investor confidence. About 65 per cent of its shareholders are in the United States. And that's a critical capital market for companies like Loewen Group that make a practice of growing through relentless acquisition.

Ray Loewen, the founding father and a major shareholder in the company, wants to drive past the scene of the accident as quickly as possible. Other expansion-minded managers, however, should carefully consider the lessons of Loewen Group's recent slide before their venture saw far from home. Stopped of pace at its most intense southern public indignation, this is a recent, cautionary tale that cuts to the heart of several worrisome questions: How can Canadian companies thrive in emerging foreign markets if they can't hold their own in much more familiar terrain? Is it wise to rely on the advice of a local expert who is a proven success through acquisition? How long does it take to rescue investors' managed trust once it has been tested?

Initially, at least, it's hard to suppress a pang of sympathy for Ray Loewen. He's a gregarious, soul-torn guy from Manitoba. Armed with a bold strategy and a fair for success, he parlayed his Manitoba family's funeral parlor into the second largest publicly traded funeral services company in North America. On the surface, Loewen Group's Mississippi misadventure is not a case of over-aggressive market entry. After all, who could have imagined that a tiny would turn a \$50 million operation over a routine business matter into a debilitating

\$675-million judgment against the company?

Well, the answer is that someone should have imagined it, because that's what senior executives are owed great whacks of cash to do. In 1994, Ray Loewen collected sales and bonuses of \$90,000. The shareholders in public companies expect management to earn pay the difference to protect their investments and hedge any asset surges. In this case, the top boss at Loewen Group did nothing of the sort. They grossly miscalculated a delicate situation and they continued to reassure shareholders that all was well, even as things steered out of control.

Perhaps because of the dizzy pace of the company's growth, Loewen Group management didn't realize that they had backed in the corporate equivalent of 10. But there's seven as excuse for losing

your bearings to that extent. And it's even less acceptable to overlook the importance of adapting to the local style and customs when doing business beyond your own borders. It's a pretty safe bet that the failure in Bloom approach through a little differently than the culture of Toronto or New York City, especially when the plaintiff's lawyer successfully departs you in court as in exactly what happened.

That Loewen Group's most destructive stumble was the violation of its investors' trust. A crisis of confidence can be a costly thing in competitive international capital markets there's a greatly reduced threshold for management blunders. There's no need to stick with a team that doesn't deliver when there are so many other choices available.

Furthermore, it often takes years to overcome skepticism about executive competence or credibility. Ray Loewen has directed considerable effort to smoothing and soothing ruffled feathers in the investment community. But even though Loewen Group's stock has rebounded to about \$40 since the settlement was announced, it's still a far distance from its \$50 stock high of 1994. It may be too early to bury Ray Loewen, but it's definitely too late to praise him.

An advertising supplement to the February 12, 1996 issue of Maclean's magazine

THE RRSP PLANNER

Picking the Products



PART 3

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the stress of investing.



Judy Scott,
Entrepreneur

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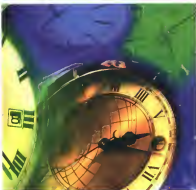
EQUITIES AND MUTUAL FUNDS

Although many first-time mutual fund owners were scared off by the drop in the stock market in 1994, 91 per cent of Canadians that owned mutual funds at the peak still own them," points out Dan Richards. "So people who say funds are past their peak just don't have the right information."

There is now a bewildering variety of mutual funds. Here is a quick rundown of the major types:

EQUITY FUNDS offer good opportunities for long-term growth but they can be risky. Many funds today focus on particular types of companies, all of which have different potential for growth and different levels of risk.

- large, successful "blue-chip" companies likely to have slow but steady growth;
- small companies, known as "small caps," that may grow quickly (or may not);
- a cross-section of companies listed on a particular stock exchange;
- Canadian companies;
- foreign companies anywhere in the world;
- foreign companies in a particular part of the world where growth is expected (but may not happen);
- companies in a particular sector of the economy, such as natural resources or technology;



• companies that pass certain ethical or environmental standards.

DIVIDEND FUNDS are slightly different than other equity funds. They invest in preferred shares of companies, which means you get an income from the dividends paid by the company, along with benefiting from the increased value of the stock.

BOND FUNDS are less risky than equity funds. They invest in government and corporate bonds, trying to get the best interest rates possible. Some funds include or focus on foreign bonds. It's important to understand that having a bond fund is not

the same as owning a bond. You do not get automatic interest, instead the money made on the bonds is usually reinvested in the fund. And when interest rates go up, your shares are actually worth less, because the fund is full of bonds with rates at the old, lower rates. Conversely, when rates go down, your bond fund is worth more because it has the old, higher rates.

BALANCED FUNDS give you a little bit of each: both fixed income investments and equities.

MONEY MARKET FUNDS are a good place to park cash, and therefore useful in times of economic uncertain-

ty. They invest in short-term treasury bills and other forms of debt. How much you will make depends on what is happening with interest rates, but you will get a better return on your money than with any other short-term investment — a daily interest savings account, for example — with virtually no risk. Over the long-term, however, as interest rates fluctuate, it's unlikely to offer good growth.

MORTGAGE FUNDS bring in a regular income by investing in commercial and residential mortgages. Because the money is invested in mortgages of varying ages, at various interest rates, you will not suffer too much — or benefit dramatically — from changes in interest rates. Mortgage funds are low-risk — especially those offered by financial institutions — but make sure the mortgages are backed against default by the National Housing Act.

These are the most common types of mutual funds, but there are others, including real estate and precious metals funds. Be sure you understand the risks of a fund and how it works before investing.

There is one other type of financial institution that sells mutual funds — insurance companies. Insurance company funds operate under different rules and regulations. Usually you will also be required to purchase life insurance. However, insurance funds offer certain advantages: most offer a guarantee that the value of your holdings will never fall below a certain percentage of your original investment,

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and they can be protected from creditors if you make a family member the beneficiary. Moreover, some of the insurance company mutual funds have performed quite well. These funds are called "segregated funds," to indicate that they are held separately from the other assets of the insurance company, which means that even if the company experiences financial problems, the fund holdings are safe.

The first place to look in evaluating a mutual fund are the performance figures reported regularly in Canadian newspapers. Look for tables that group similar types of funds together, so you are comparing apples to apples. When evaluating the numbers, says Steve Kangas, a mutual fund analyst with Nesbitt Burns, "there are two things you should look at. First, the absolute numbers over a long period — 3 years, 5 years, 10 years — and how these numbers compare to other funds in that category. Second, how did it perform in each of those years?" Investors need to understand how a fund may go up or down over the years and evaluate whether they are ready for the rollercoaster ride of higher performing funds. "If you have the stomach for it, fine. If that bothers you then you can't expect a 20 per cent return." Not enough investors stop to think about volatility, says Kangas. "They're fixated on the absolute performance numbers."

Investors also need to understand that what they are looking at is history, says Francis D'Andrade, vice president of client services for Alcanora

IS IT INSURED?

The Canada Deposit Insurance Corporation insures up to \$60,000 of your deposits with any single member institution but it does not cover certain types of investments (see chart). If you are unsure if a particular investment or financial institution is covered by the CDIC, you can call and check at 1-800-461-CDIC.

Type of RRSP investment	Insured?
Savings accounts	Yes
Term deposits such as GICs, up to five years	Yes
Term deposits for more than five years	No
Deposits in foreign currencies	No
T-bills	No
Investments in mortgages, stocks and mutual funds	No

Investment Services Inc. "The problem is you're picking a fund based on how it's behaved in the past without any assurance that it will do well in future." Investors who place too much importance on recent numbers may perpetually buy funds that have posted their peak performance. "Yes, you want your fund manager to have a good performance record," says Laurie Munro, vice president of marketing for Mackenzie Financial Corporation. "But just because a fund is up 60 per cent doesn't mean it's the best time to buy. Ideally you want to buy it before it goes up."

The next obvious place to go for information is the prospectuses and

reports issued by mutual fund companies. These should fill you in on the investing philosophies and strategies of the various funds and their managers. In the past, fund materials have been about as readable as the Dead Sea Scrolls. However, the industry is responding to consumer demand and the concerns expressed in the Sternberg Report for more accessible information. "This is the real issue for the fund industry," says Dan Richards, "people who say, 'I got into mutual funds because it was supposed to be simpler.' But it's not simpler, it's more complicated."

When you are reading a company's description of its fund, keep the

MUTUAL FUNDS

FREEDOM OF CHOICE

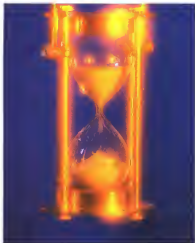


In the pursuit of financial freedom, and all the benefits it brings, many Canadians are diversifying their RRSP investment portfolios through the purchase of mutual funds. It's a strategy that both reduces risk and improves the potential for long-term growth. But with hundreds of quality funds available today, the challenge lies in choosing the right ones for your particular needs.

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following questions in mind:

- * What kind of research does the fund do before choosing an investment? How do they monitor a company's performance?
- * Do they have rigid parameters? For example, if it's a balanced fund, do they always have a 50-50 split between equities and fixed income? Or do the managers have some flexibility to change that split?
- * Does the fund limit the number of companies it invests in so it can stay in touch with all of them? Or does it prefer to spread the risk over a large

portfolio of investments?

- * Does the fund take a bottom-up approach of finding the best companies, regardless of the sector or geographical location? Or does it take a top-down approach of choosing regions and industries it expects to do well, and then choosing companies within those assumptions?

There are no right answers to any of these questions, just different investment philosophies that you may or may not agree with.

Like many in the investment industry, Jonathan Williams, lead man-

ager of AIC Ltd.'s Advantage Fund advocates a long-term, conservative approach to RRSP investors. Check the list of companies the fund invests in. Are they solid, well-managed companies? And how actively does the fund trade its shares? If there is a lot of turnover, says Williams, it tells you that this manager is a market timer, someone who is trying to build the value of the fund by picking the right stocks at the right time. "When the market goes up, market timers look good," says Williams, but in less glib times, it's the inherent value of the companies invested in that help a mutual fund stay healthy. "We always ask investors, who's the wealthiest person in your area, and how did they get that way? And it's not by trading paper, but by holding equity in a solid business."

Investors should look not just at the performance of a fund, but what kind of service they will get from the company and how much they will pay for it, says Frances D'Andrade.

- Do they give advice?
- Do they provide useful, up-to-date information?
- How frequent, readable and complete are their statements? Do they show how my portfolio is divided up?
- Do they provide benchmarks that allow me to judge how well my investments are doing?
- Can I conduct transactions and get updates over the phone?
- Do they charge for transactions, redemptions, trades?

HOW MUCH SHOULD I HAVE TO PAY?

If you buy from a commissioned dealer — as opposed to purchasing at your bank — you will likely have to pay that commission in the form of a "load." A "front-end load" is paid when you buy the fund. "Rear-end loads" are a redemption fee which you pay if and when you cashed in your holdings. The amount you have to pay usually declines the longer you hang on to your units. Whether front-end, rear-end or no-load works out to your favour depends on a variety of factors — how long you expect to hold onto the fund, how well it does, how the deal is structured.

Recently, companies like Athanas and AGF have introduced the "no-load" mutual fund. While that is obviously attractive, remember that no-load funds generally do not supply any specific individual investment advice. "We believe it's something you can do on your own," says D'Andrade. "But if you can't make the decision then probably you should seek an adviser." "If you don't have the time or inclination, then find somebody you trust," adds Terrence Baie, president of Dynamic Mutual Funds. "Somebody who's with a reputable company and has some background."

Whatever load you do or do not pay, you will have to pay an adminis-

THE STROMBERG REPORT

While mutual funds have been around since 1932, in recent years they have grown dramatically by 3,000 per cent, from \$4.1 billion in 1982 to \$127.3 billion in 1994. At the same time, products have become more varied, and the methods of marketing, selling and charging fees and commissions have become more sophisticated. That has left people inside and outside the industry worried about whether investors really know everything they need to know about what they are being sold and how they are paying for it.

In response, the Canadian Securities Administrators have issued a report on mutual funds. The main recommendations proposed by Ontario Securities Commissioner Gloriaanne Stromberg include a national regulatory body to which all fund companies would have to belong; a universal standard for measuring the performance of funds; clear information to help investors understand and evaluate funds; and permission for banks and trust companies to sell mutual funds other than their own products.

Reaction from the industry has been positive, says Arthur Labatt, president of Trimark Investment Management Inc. and chairman of one of the committees studying the recommendations. "Ultimately what we're trying to do is make sure we give the very best protection available to customers. We think the industry is well regulated now. But it is growing so we have to make sure it does continue that way."

The report examines one of the most controversial aspects of the mutual fund industry — private, mutually beneficial deals between funds and the people selling them that consumers are not aware of. One example is so-called "soft dollar" deals. As well as receiving commissions for selling a fund, an individual stock-broker may expect the mutual fund company to reward him by purchasing its stocks through him, bringing him even more commissions. If the fund company agrees, will the broker develop some warm and fuzzy feelings that will cloud his judgment when he makes recommendations to his clients?

Labatt points out that fund companies and fund sellers can trade services in ways that are harmless and cost-effective. But in general he agrees that "All the relationships should be out in the open and understood by the consumer. And they shouldn't involve anything that skews the judgment of the broker."



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the busiest time of my life
Our kids are growing
My career has taken off
My responsibilities seem endless
Now I have the money,
but not the time
At night I lie awake
and wonder:
twenty years from now,

When I have the time will I have the money?

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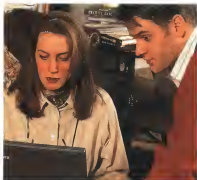
* As of January 31, 1996. Fidelity's full line of RRSP eligible funds are sold exclusively through qualified investment professionals and employer sponsored work plans. Read a mutual fund's prospectus thoroughly before investing.

expense fee to the fund's manager, deducted from your holdings, usually from 0.5 to 2.5 per cent. (Other no-load funds charge higher management fees.) Other expenses are deducted directly from the earnings of the fund. So when you are trying to discover how expensive a fund is to purchase and own, you need to take all these factors into account.

SOME TIPS ON FOREIGN FUNDS

You are allowed to put 20 per cent of your RRSP into foreign investments, but you can actually get more than that, since funds that technically count as Canadian are allowed to put up to 30 per cent of their investments into foreign investments. Watch out, however, because some North American funds, which count as foreign, also include Canadian assets. If you have any of these, you may be diluting your foreign content.

It's also important how you set up your RRSP. If you have a self-directed RRSP, then 20 per cent of the total dollar value you have invested, including the value of your term deposits, can be in foreign investments. However, if your term deposits are in one place and you have mutual funds somewhere else, you can only have 20 per cent of the mutual funds in foreign investments.



WHEN YOU WISH UPON A STAR

If you are putting your money into a movie, you want Arnold Schwarzenegger, John Roberts or Jim Carrey. And when they put their money into a mutual fund, savvy investors also want to know there is a star connected with a fund — someone like the five fund managers industry insiders told us they most admire.

But how much can star power do to guarantee the success of a fund? "Some people clearly have a knack," admits Rugga Chaud, an economist and author of *Rugga Chaud's World of Mutual Funds*. "But I haven't come across any evidence that any manager has consistently

delivered over 20 years."

Focusing on the individual who manages a fund is natural, especially for inexperienced investors, say David Chabon, author of *The Wealthy Barber*. "Financial matters tend to be confusing so we all want to grab on to somebody we think has the answers." But it can also be dangerous. Jonathan Wilkins, himself touted as a star by industry observers for his management of AIC's Advantage Fund, warns that by putting fund managers on a pedestal, investors may be ignoring other important issues about a fund. "People should be willing to ask questions about the fund —

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The gospel according to Martin: no flat tax

BY PETER C. NEWMAN

Unlike most politicians who talk all day without actually saying anything, Finance Minister Paul Martin can occasionally be blunt and informative. When I caught him on the run last week in Winnipeg, he set out the guidelines of his next budget, expected in mid-March.

Does he intend, as Deputy Prime Minister Sheila Copps told a radio interviewer the previous day in Vancouver, to introduce a replacement for the GST? "No," Martin told me. "There's great support for a single harmonized sales tax across the country, but I will not be in a position to announce a replacement for the GST this spring."

A flat tax isn't the current darling of the American media, but Martin thinks it's back. "We've run the numbers 14 different ways to Sunday, and we keep coming to the same conclusion—that it's very hard to do in a way that wouldn't benefit the wealthy at the expense of the poor. That doesn't leave us any good reason to take that kind of regressive action."

How does the finance minister intend to handle the fact that he will be cutting the very social welfare programs that will give Quebec's Lucien Bouchard fresh ammunition for attacking Ottawa? "The country has to be governed and you have to do what's necessary to fix up the problems you have," he says. "Nobody who ever convinced me that our governing would improve the Quebec situation. Ultimately, there are two competing visions trying to win the hearts of Quebecers—interdependence and remaining within a strong Canada—and that means getting our fiscal house in order so that we really are a strong country worth belonging to."

He also recognizes his stand that there will be no economic union with Quebec should a secession, and that the Quebec economy will suffer major damage because one-third of the province's gross domestic product

'We've run the numbers 14 different ways to Sunday, and we get the same conclusion: it would only benefit the wealthy at the expense of the poor'

depends on exports and there is no guarantee that it would be absorbed by NAFTA as an independent state.

Will the upcoming budget be a landmark document? "The basic change in the structure of the government's spending was done in the last budget," he replies. "What's so essential now is not to introduce another series of revolutionary changes, but to stay the course. There will be some cutting of government expenditures, but not on the same magnitude as the last time. We need to keep the deficit down, but the emphasis now will shift to the reallocation of spending—more that has public support."

Martin makes the point that his 1995 budget got out to play spending cuts worth \$25 billion and set into motion a process that will eventually lower the deficit to below two per cent of the GDP each year. "What we've done," he boasts, "is to change the structure of federal spending, so that as long as we stay the course—some cuts and some reallocations—but don't start spending money all over the place, we'll clean up the balance sheets." That may be a dream, considering the fact that the finance minister's time span includes the next federal

election when the spenders will rule the roost.

Meanwhile, the minister is simply basking in his preferences. "We'll have taken the deficit since we took office," he crosses, "from 5.9 per cent of GDP (1992) when we came to power to below two per cent, or \$17 billion, in 1997-1998."

He claims that achieving the two-per-cent target will make us financially more viable than any G7 country. "The French look at what we're doing with huge envy," says he. "So, from a basis of any of the fundamental—whether it's inflation or productivity or deficit reduction—we're doing very well. The only area we're not in the huge level of deficit that we have, especially in its ratio to GDP. We must bring it down from its current 74 per cent to less than 50 per cent." (When provincial debt loads are also included, our ratio of debt to GDP is actually more than 100 per cent, which puts us in a category occupied by only one other industrialized nation: Italy.)

Martin realizes that the really tough problem is not the federal deficit but the federal debt. Currently at a record \$545.7 billion, and reducing the debt will be the next battleground. But the finance minister points out that this will involve a very different kind of war. It will require giant steps on the revenue side, which will mean a quantum leap in the growth of the Canadian economy. That will mean much greater emphasis by Ottawa in the areas of research grants, productivity bonuses, facilitating overseas sales, and investment in commerce. Once the vicious cycle of having to borrow evergreater funds to cushion a multiplying deficit is resolved, Canada's fiscal problems will become much more manageable.

Martin's perception of current economic growth is that while there has been a slow down, the economy will pick up speed by the second quarter. "We're so used to these periods of boom and bust that it's difficult to comprehend we're now into slow and sustained growth," he explains. "What we've got to do as a country is to set for ourselves some major goals that relate to people's lives. If we focus this nation on the realization of such great objectives that people can relate to, the internal tinkering will cease. The role of government today is to reestablish those things in which we can believe. If we do that, Quebecers will have a vision they can share and fight to become part of. Formulating such a vision is what I'm going to be dedicating most of my time and energy to in the year ahead."

Coming up with the style and substance of the kind of vision Martin has in mind remains a big if. Although he is preoccupied by recovery with Canada's economic indicators, Martin realizes that statistics don't add up to business. What's required here is a dramatic new approach to selling the idea of Canada to those who have lost faith in its future. But at least one minister appreciates that subtlety, and in Ottawa these days, that's just cause for celebration.

YOU KNOW WHAT LIFE DEMANDS. YOU HAVE TO WORK. YOU HAVE TO PLAY. YOU HAVE TO BE THERE FOR OTHERS. YOU HAVE TO TAKE TIME FOR YOURSELF. AND WHEN WHAT YOU DO DEMANDS A CAR, YOU DEMAND DEPENDABILITY. A CAR'S GOT TO DO WHAT A CAR'S GOT TO DO. WHEN, FOR INSTANCE, IT'S 11:50 ON A WET, MISERABLE MORNING, AND YOUR CHILD IS STILL GOING TO FINISH HIS PAPER BOAT ALONE, YOU KNOW WHAT YOU HAVE TO DO. YOU HELP HIM. THAT'S LOVE. AND THE CHEVROLET LUMINA WAS BUILT WITH LIFE IN MIND. IT IS WHAT



A CAR SHOULD BE AND DOES WHAT A CAR SHOULD DO. IT SHOULD PERFORM IT DOES THAT WITH THE STABILITY OF A ROAD, ENHANCED BODY CONSTRUCTION AND THE CONTROL OF STANDARD 4-WHEEL ANTI-LOCK BRAKES. IT SHOULD BE DESIGNED WITH SAFETY IN MIND. IT IS, WITH STANDARD DUAL FRONT AIR BAGS, RIGID SAFETY CABE CONSTRUCTION, SIDE-GLASS DOOR BEAMS AND 24-INCH BOWSIDE ASSISTANCE. IT SHOULD BE COMFORTABLE, DURABLE AND DEPENDABLE. IN SHORT, IT SHOULD BE EVERYTHING THE LUMINA IS. IT SHOULD BE TRIED, TESTED & TRUE.

CHEVROLET

Class warfare

Bracing for deep cuts, Ontario students and teachers are locking arms and fighting back

BY VICTOR DWYER

For Grade 8 teacher Anne Schlap, deficit reductions are not an abstract concept. At Ontario Education Minister John Snodden's carries through his promise to cut public school funding by one per cent this year, the Ministry of Education, Ont., teacher says that she will be unable to meet the needs of one-third of her students, including those with severe behavioral problems, as well as learning disabilities and low who are recent immigrants. The reason, in his drive to dominate, Snodden has set his sights on the so-called prep time that teachers are given to plan individual lessons and counsel students. According to Stuart Harris, a third-year student at Ryerson Polytechnic University in Toronto, Snodden is launching a "full-scale assault on publicly supported education." Noting that Ontario already ranks ninth among the provinces in postsecondary funding per student—11 per cent below the national average—Harris describes Snodden's decision to eliminate an-

other 15 per cent of provincial funding as "unacceptable." Says Harris, "Corporations are making record profits, while students, workers and the poor are being cut. This week, how do we do it? It's time to fight back."

Both Schlap and Harris are doing just that. She took part in a 20,000-strong demonstration by teachers, parents and students at the Ontario Legislature in mid-January. He is one of the organizers of a nationwide day of action by university students planned for Feb. 7, that while both are angry both are also confronting intragovernmental battles. The Conservative government of Premier Mike Harris faces a massive \$10-billion deficit that is bent on eliminating. Later this month, Ottawa will officially announce its plans to begin slashing provincial transfers to post-secondary education, health and social programs by 20 per cent over the next two years, pushing the Harris government even farther to the wall. Its drive to cut costs is prompting unprecedented alliances between

all levels of education in Ontario—and threats of province-wide job action in the public schools. But however determined they are to fight, teachers and students face a steep, uphill battle. Snodden, himself a high school dropout, is fast emerging as the Darth Vader of the education wars. Describing resistance to his plans as "simply unacceptable," he says, "the longer we wait, the bigger the problem will be."

Many Ontario educationists, understanding what is to come, have in fact begun carving from their budgets. Taking a cue from Snodden's recent announcement that junior kindergarten will no longer be mandatory, several school boards have declared that they will be terminating the program next September. And last month, the University of Waterloo announced that it will be eliminating 16 per cent of faculty positions, plus one-third of support staff, by next September. Since then, Waterloo administrators have confirmed that they are almost certain to raise tuition by 20 per cent this fall. They will be able to do so thanks to yet another Snodden decree: last last year, the minister gave universities the go-ahead to double the government's own 10-per-cent increase, paving the way for one of the largest tuition hikes in Canadian history. At the University of Windsor, president Ronald Barr says that such drastic changes are only the first way to cope. "There are as two ways about it," says Barr. "These changed with raising the education system

Rowed (above) march on the Ontario legislature. Students of job action

of Ontario are facing a challenge many significant things we have seen in the past 30 years."

As they struggle to meet that challenge, all sides are warring for a schoolyard punch-up at major proportions. Given a larger perspective, the fighting is scarcely more last week, following two years of deep cuts to education, the Ontario government of Premier Ralph Klein said that it would begin to loosen the reins of its own conservative fiscal policies. As a result, a reinstated full funding for kindergarten. That announcement followed a recent promise made by treasurer James Flinn that the province will offset the looming federal cuts to postsecondary education. Currently, Alberta's extensive experience with similar times has not been lost on Ontario's university administrators. In all, they met with their Alberta counterparts to discuss strategies for adjusting to looming cut-backs.

But according to many on the front lines of teaching and learning, the first task is to fight the cuts. In the closing days of 1995, a school asked two-hour meeting between Snodden and representatives of the Ontario Teachers Fed-



eration, an umbrella group of associations representing Ontario's 120,000 teachers, ended after the minutes. The reason: OTF officials insisted there was no way to make the proposed cuts, totaling \$400 million in 1996, without affecting classroom quality.

The subsequent march on the Legislature was by far the largest since the Harris government took power. Another is planned for Feb. 24—one day after an Ontario Federation of Labor congress strike scheduled for Hamilton, at which teacher unions plan to play a significant role. And last week, OTF president Ronald Robert told McEwen that

"job action is definitely being considered" by the union he represents. Under siege, educators at all levels appear determined to lock arms. Professors from all three Toronto universities met with college instructors and secondary school teachers from across the city on Jan. 18, agreeing to share the Coalition for Education, the aim to build support for the upcoming student and teacher demonstrations. Says John Shields, a coalition member and a professor of public administration at Ryerson, "Although I'm a university teacher, I was concerned about cuts right down the line because they will ultimately affect the quality of students that end up in my classroom."

Faced with such action, Snodden is rewording anything but conciliatory. Since the abortive December meeting, he has outstepped the unions and made several provocative public announcements. Speaking to 250 school board trustees in mid-January, he made it clear that teachers would bear the brunt of any downsizing. To that end, he outlined what he called a legislative "tool kit," to be formally unveiled this month, that will enable boards to supersede union contracts and alter certain time-honored aspects of the public system.

Among the most feared of these is preparation time. Currently, Ontario teachers have a daily average of 33 minutes of prep time at the grade school level, and roughly twice that in high schools. While Snodden claims he does not want to eliminate the practice, he questions current levels—which are outpace to the national average in grade schools, and slightly higher in high schools—which he says cost taxpayers \$650 million a year. The educators' teachers' list Schlap, "I need time for something as simple as getting a physics lab prepared, or working out ways that I can explain new scientific concepts," says a 12-year veteran of the classroom, now in his second year of teaching Grade 8. "I can't just hand students textbooks and expect them to learn." As well, Schlap maintains that as income in Ontario and family problems has added enormously to her workload. "You need down-

time to constantly modify for needy students," she says. "And that doesn't even include meeting with librarians, psychologists, social workers and parents."

Equally inflammatory is Snodden's plan to eliminate all certified teachers from junior kindergarten classrooms. Last week, he denied knowledge of an internal ministry document, leaked to the press, that floated the idea of exposing a unit by at \$2,000 for junior kindergarten. \$200, in a move making young kindergarten optional, has fuelled a scathing provision for the program, replacing university-educated teach-



Snodden: Just emerging on the Darth Vader of the education wars

ers with specialists in early childhood education—college graduates whose salaries are roughly half as high.

To clarify, that is the thin edge of a dangerous wedge. "I have a real concern when he alludes to untrained, unqualified teachers delivering programs," says Marilyn Rottge, president of the Ontario English Catholic Teachers Association. She notes that several studies point to the past year as the most critical in a child's development. "It can be done there," she adds, "where you'll hardly look next." In fact, the linked document would suggest that libraries and guidance offices are also potential targets. But while Snobelen continued to distance himself from the document, he remained adamant that "there is a lot of dangerous material among educators about who is most appropriate" to teach young children.

As those in the public schools wage their war of attrition, Ontario campuses are abuzz with rumors of the enormous changes ahead. "There is widespread anxiety over Snobelen's agenda-to-be-linked discussion paper on the future of higher education."

According to the master it will provide "a template" for a three-member panel, which will seek input from various groups, including students, administrators and business. Mary Halseth, chair of the Ontario Council of College Presidents, predicts that the paper may point towards what she earlier described as "the mainstream of institutions"—the closure of elite colleges and universities. That prospect, hardly easy in the university community. But Halseth is also president of Sheridan College in Oakville, Ont., notes that she is already in the process of selling two of Sheridan's eight campuses, and has plans to consolidate two others. And she predicts that Snobelen will "naturally encourage" similar moves throughout the province.

Halseth is not alone in that belief. "What colleges are doing now is what you will see universities doing, but at a different pace," says University of Toronto president Robert Picard. Like other university administrators, Picard is planning to close down at least one campus, declining to discuss which of his own departments will be hardest hit. But he leaves little doubt that certain ones will not survive. "Universities have to start focusing on areas where they are strong," says Picard. "The current climate creates a natural demand for that kind of change."

In their own efforts to weather slummy times, Alberta's universities have employed several strategies, many of which were discussed at a five-hour workshop in Toronto last fall. Hosted by several Ontario administrators, it was attended by University of Calgary president Murray Fraser, as well as rep-

resentatives from the universities of Lethbridge and Alberta. Among other things, Fraser has initiated a process of "collaborative bargaining" through which Calgary Students have received a greater say in deciding the shape and scope of retroactive wages and benefits. Says Fraser: "It has helped both sides understand the position of the other."

Rayson president Claude Lapensee says that this kind of bargaining will be able to survive potential cuts at \$10.6-million and year only.

Teachers arrived for a two-hour meeting with Snobelen. After five minutes, they were out the door.



Klaus Kalkbrenner at Okanagan, Alta., reviewing Kalk's notes.

if his employee associations "recognize that we cannot afford a confrontational route." Hoping to negotiate adjustments to wages and benefits, as well as stricter rules governing substitutes and teaching loads, Lapensee says he is encountering an "openness" to working out cutbacks that will be "shared and fair." Still, he will almost certainly encounter skepticism—and resistance. Says Prof. Snobelen: "There is so much talk about the importance of teaching in technology and training, and yet they want to cut the front line of education. It seems to be a rather contradictory message."

The bubble is also helping some senior sites drive down costs. Several have begun using high-tech video and computer tools up to share courses, professors and research. The universities of Calgary and Alberta conduct joint programs in engineering and modern languages. In the wake of the Waterloo cuts, officials there say they intend to intensify links with several schools, including nearby Wilfrid Laurier and the University of Guelph.

Others are training a sharper eye on student demand. At the University of Lethbridge for each course is now paid directly to clients, effectively forcing them to provide a service that is attractive to them as buyers—and to justify those that are not. Others worry about the long-term effects of losing the customer rule, especially as growing numbers of students view university as a chance to gain an edge in a grim economy. "No matter how deeply governments cut," says Windsor's Laro, "we can't simply turn ourselves into training schools for Corporation X or Company Y."

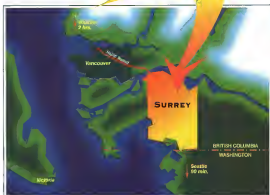
Still, lean times are forcing all universities to give more thought to educating students, who are also an important source of funding. In Ontario, applications dropped in an average of roughly five per cent last year. Ironically, some fear that universities will be asking an even greater toll if they raise fees as much as Snobelen is now allowing. "As it is, I have friends who have had to drop out of school because they felt they were going too far into debt," says Riverdale's Rawat. "Higher fees will definitely keep many from going in the first place."

But whatever the cost of education, the bottom line for many Ontario students is clear: the one-two punch of federal and provincial cuts will have profoundly tangible effects. Those are also not certain to include a more to larger classes, a diminished variety of courses, and less personalized service. The recent events at Waterloo confirm that axiom. According to vice-president, academic, Jim Kalkbrenner, the university hopes to replace its more than half of the 340 department faculty, while keeping enrolment steady. Says Kalkbrenner: "We will start leaving hard at the number of small enrolment courses."

As they prepare for the Feb. 7 demonstrations, Ontario students and their supporters say that both broad-based and leader issues will be at the top of their agenda. At the same time, they have to begin building support in their own ranks for the coming battles of public school teachers and other career educators on cutbacks. Says Shields: "What we are fighting stretches beyond education into health, social services and a whole variety of Ontario and Canadian institutions that are under attack by right-wing ideologues."

But however heated their rhetoric, Snobelen is not backing. Vowing to carry out his plans to force every level of education to do more with less, the minister says bluntly: "This is a management in management that we have been elected to carry through. Is that ideology? No, it is just reality." Whether students and teachers will accept that reality, of course, is another question entirely. □

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LIFE

Wolves in the wild

A relocation program draws ranchers' wrath

BY MARY NEMETH

THE three wolves were laid out on blankets—a young 105-lb. animal with a sleek black coat, and a pair of slightly smaller, grey-flecked ones, still unconscious after being tranquilized earlier in the day. An assortment of Canadian veterinarians, American government biologists and volunteers hovered over the wolves, taking blood and hair samples, administering vaccines, attaching ear tags and attaching microchips to help track the animals. The wolves being examined in the small northern B.C. city of Fort St. John were among the last of 38 animals captured in the area last month and taken to two agencies, on Jan. 22 and Jan. 26, in the United States. There, they were destined for central Idaho and Wyoming's Yellowstone National Park as part of a U.S. government effort to re-establish wolves in America's northern Rocky Mountains. The program has its staunch supporters—as well as its adamant opponents. And when the two sides talk about the relocation program, says Steven Pritz, the Fish and Wildlife Service's chief scientist for grey wolf recovery in the western United States, "many are not really talking about just the animal, because the wolf is such a powerful symbol."

To some supporters of the relocation effort, the wolf represents wilderness and nature the way it is meant to be; to ranchers worried about their livestock, it is simply the predator. The former see the program as a righting of past wrongs. For years, some states offered bounties for dead wolves and federal officials joined in the eradication ef-

fort, by the 1930s, wolves had virtually disappeared in all but one (Idaho) of the lower 48 U.S. states. Now, the process has been reversed. Wolves were included in federal endangered species legislation in 1973. And for the past decade, they have been drifting down from southern Alberta into northern



A translocated animal in Fort St. John tested

Bringing the wolves back to Yellowstone: righting wrongs?

Montana, establishing seven packs there on their own. Then last year, the U.S. government began helping Mother Nature along, translocating 38 wolves from Alberta in Yellowstone and to central Idaho in the first stage of a scheduled three-to-five-year program. The goal is to establish self-sustaining populations, with about 10 packs per roughly 100 square miles in each area. "We're trying to get wolf numbers to the point where they're off the Endangered Species Act," says Pritz. "At that point, we cross the finish line."

The program has drawn some fire in Canada, where wildlife groups protest that not enough is being done to protect Canadian wolves. And one Vancouver-based group calling itself Friends of the Wolf offered \$5,000 to anyone who turns down wolves captured in Fort St. John (no one seems to have done). But the program's fiercest critics are in Idaho, Wyoming and Montana, north of Yellowstone Park, where some of last year's 25 transplants have wandered.

Ranchers worry that wolves will harass their livestock—they point to one case of a wolf pack from the translocation group killing a hunting dog, and another where a single wolf probably killed at least two sheep. Ranchers complain that wolves will decimate big game. Some critics charge that small children and domestic pets might even be in danger. In Campbell, national resource co-ordinator for the Montana Stock Growers Association in Helena, says ranchers in northern parts of the state are more fearful of wolves moving in on their own. "But when a federal agency is bringing them in and basically sucking them in your backyard," Campbell says, "that gets a little bit tough for our people to understand. Private property rights are a huge issue here."

Pritz and ranch groups have snarled—as far as successfully—to have the courts take the translocation effort. And this year, Congress set \$275,000 out of the wolf program's \$855,000 budget. But American wildlife groups clipped in with some funds, including more than \$40,000 raised by the Idaho-based Wolf Education and Research Center. And about 20 volunteers came to Fort St. John to assist in the capture operation. Nevertheless, Pritz says he is unaware of any documented case of a healthy wolf killing a human being in North America. "If wolves were inclined to bother people," he says, "we would know about it. There's just too much evidence that they don't." And although wolves do kill some livestock, he maintains,

they kill fewer than disease or other pests like coyotes, bears and mountain lions. Regardless, he insists, the wolves "will not add to the mortality of livestock to any significant degree." Still, Pritz concedes that the program has drawn considerable criticism and that "there's a big question about whether politically we would be able to do it again." In the end, that may not matter. "I think we're ahead of schedule," Pritz says. "It's not clear to us right now whether a third year is even necessary."

There was a time when relocation efforts worked the other way across the Canada-U.S. border. In 1957, after overhunting, bad weather and large fires, elk had severely depopulated elk from the northern slope of the Rocky Mountains in Alberta. elk were shipped from Yellowstone Park in South and West. Later National parks and later to Jasper National Park, as well. Meanwhile, bighorn sheep have on several occasions been translocated from Alberta and British Columbia to Washington, Oregon and other states. And in a program independent of the wolf recovery effort, 20 elk are being transferred from Alberta's Elk Island National Park to Kentucky this month.

Efforts to relocate predators like wolves, though, have been much more divisive. One case has already been convicted of shooting one of last year's transplants in Montana. The relocated wolves are under a special, experimental category in endangered species legislation that allows landowners to kill wolves—but only if they catch the predators in the act of attacking their livestock. Another wolf was shot in Idaho while eating a calf, though wildlife says that the calf was dead before the wolf found it. And a third wolf—an offspring of one of the transplants—was run over by a truck. But the remaining animals—most right of their pups—seem to have survived their first year in good health.

The second round of wolves were taken from wilderness areas more than 100 km north and west of Fort St. John. Biologists with B.C. Environment radio-collared some of the wolves in November and December, in part to ease the task of locating them. And beginning in Jan. 18, two families joined from Fairbanks, Alaska, began tracking wolf packs. The animals travel in family units—breeding pairs and several years' worth of offspring. When the packs spotted a pack, they called in two helicopters, each with an Alaska Fish and Game biologist armed with tranquillizer darts on board. On the coldest day, the mercury dropped to -45° C at ground level—a biting 38° C at higher altitudes, but still enough to freeze the tranquillizer in the darts. So the darters had to stick them in boxes packed with disposable hand warmers until the last minute, moving before sunrise and firing.

It took about three to eight minutes for the wolves to fall after they had been darted, says Ken Taylor, one of the darters and the deputy director of Alaska Fish and Game's wildlife conservation division. The airplane pilots kept track of those wolves while the helicopters guarded them. Then the darters

perched on the darters walked through snow, in some cases almost deep, to recover the animals. "The first days were difficult because it was so cold," says Taylor. "And it's always windy with the door removed."

The planes and helicopters spent seven days at the site, where wolves each remain back to Fort St. John. There, they were tagged and treated and, laboratory blood runs showed, found to be free of major diseases like rabies and brucellosis. Then the wolves were placed in 24-hour no-kill chain link kennels draped with old bedspreads—designed by a local artist—to minimize distractions while they awaited transport.

Of the 38 wolves flown to the United States,

one was destroyed upon its arrival after it bit a biologist—program protocol called for the most difficult release test, which requires testing the brain of the animal, in the event that a human is bitten. Of the remaining 37 wolves, 30 were sent to Idaho where they were released directly into the wild in the hopes that they will find mates and form their own packs. The other 17—mostly members of five existing family units—are being held in pens in Yellowstone for up to 18 weeks to become accustomed to their new environment. Then they, too, will be released into a wilderness where wolves were once plentiful—there to remain the objects of both admiration and anxiety. □

Oooouuchh!

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Congratulations to these 1995 Maclean's New-Car Dealers of Excellence.

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If you are fortunate enough to have a *Maclean's Dealer of Excellence* in your neighborhood, visit him or her for friendly, open advice on the purchase or lease of a new car.

Congratulations to all concerned and best wishes for every successful year ahead.

Maclean's
DEALER OF
EXCELLENCE

After pulling her green Saturn into the parking lot, figure skater Joanne Chouinard bounded up the stairs of her North Toronto club with a grin long over her shoulder and a smile for everyone. The ice skater was busy with an aging father, but most of the people who had taken inside seats in the office shop were anticipating the arrival of Chouinard, the three-time Canadian champion. It has been that way ever since the summer of 1988, when she decided that a change of coach and a move from her home in Laval, Que., would help her bid for a medal at the 1994 Winter Olympics. That did not happen—if anything, Chouinard's year, 1994, was probably her worst year as a skater. But personally and professionally, she has bounced back and, at 36, seems more optimistic and energetic than ever. "I know it sounds corny," she says. "But I'm having fun when I come to the rink. I just that for a while, but I love it."

Fun may be a luxury in most professions, but for Chouinard and many other skaters, it is the means of surviving the months of practice leading up to this week's Canadian figure skating championships in Ottawa. "Nuts!" as the skaters call the event, determine both national rankings and, more important, who advances to the world championships, which this March are being held in Edmonton. Elise Soglia of Richmond Hill, Ont., has already made the world team because he is the defending champion, but he needs a good performance in Ottawa to build momentum. Soaring from obscurity to the elite level in just three years, ice dancer Shae-Lynn Bourne of Chatham, Ont., and Victor Kraatz of Vancouver hope to improve on last year's fourth-place finish at the worlds. The closest competition in Ottawa is in pairs, where defending Canadian champion Michelle Kwan of Cambridge, Ont., and Jean-Michel Bombardier of Laval face a stern challenge from two other duos. "We are very even," says David Dore, director general of the Canadian Figure Skating Association, "and it will come down to which ones come through on that night."

Still, it is the women's competition that has the most compelling story lines. Chouinard shined well below expectations at her last two major amateur competitions, at the 1994 Olympics and world championships, and she has returned from a year on the pro-

SPORTS Return of a champion

Chouinard confronts her demons at the nationals in Ottawa



Chouinard: I am just trying to finish off my career

fessional circuit in hopes of finishing her amateur career on a positive note. Shana Humphreys of Edmonton, a member of the 1994 Olympic team, has recovered from a debilitating back injury and is skating better than ever. And Theresa Nitz Kim, the surprise winner a year ago, is back to defend her title. Yet because no Canadian woman finished in the top 10 at the 1995 worlds, Chouinard, Humphreys, Kim and Jennifer Robinson of Windsor, Ont., are all fighting for only one place on the team that represents

Canada at Edmonton. And that adds mightily to the already considerable pressure on the skaters. "I know that there is only one spot," says Humphreys, "but I am trying not to think about it."

Chouinard has already experienced the low point in her career. She had hoped for a medal at the Olympic medal in 1994, but they were dashed following subpar performances, particularly at the worlds. At Chiba, Japan, having placed second in the short program, Chouinard fell three times and finished out of the medals. Disheartened, she used a promotion in International Skating Union rules to take a year off amateur competition. "There was no way I would have been mentally ready last year because I was too disappointed after 1994," she says. "More than disappointed—I was relaxed, and I did not know if I even felt skating was more."

Ironically, it is her struggle with pressure—along with her anxiety and rapport with the audience—that contributes to Chouinard's appeal. "Her vulnerability makes her interesting," says her coach in Toronto, Louis Stong. "I mean, she could screw up and that makes her compelling." She now seems unusually secure for someone who is leading her as all or nothing competition. She says her working relationship and experience in pairs skates Bombardier, her longtime boyfriend, extended her that there was life after amateur skating. Stong says the timing competition schedule is a job helped to rebuild Chouinard's confidence. "In terms of competing," he says. "She now goes in the rink with a clear idea of what she wants to do."

Chouinard's competitors have greeted her return with mixed reviews. "Sure, it would be an easier competition if she weren't there," says Humphreys. "But by being there, she makes the competition better because everyone else has to rise to her level." Chouinard hopes she can provide the veteran leadership that the Canadian team has lacked in recent years. But she is aware she has rubbed some feathers. "I am not trying to take the glory," she says. "I am just trying to finish off my career. It just took me a little longer than I expected." Whatever happens, she says, she will leave amateur skating behind this year for the professional ranks. "I am not going to come back to it with it keep training. I'm done," she says with a laugh. "I want to ensure a living and enjoy life."

JAMES DEACON

Advertising Supplement
to Maclean's Magazine

Their future is also our future

Just four years from now, 80 per cent of the world's population will live in developing countries.

For a long time, it was widely believed that the Third World would always be poor and would always rely on the charity of others. We thought that any help we offered was based solely on our own generosity.

With a new understanding of the global village, we have come to appreciate that our own quality of life, economic development, environment and security are all closely linked to what happens throughout the world.

Quite simply, when we support developing nations, we are also helping to fashion a brighter future for all of us.

Conquering the problems

Make no mistake about it: Poverty, famine and disease still devastate many countries in the southern hemisphere. And wars, dictatorships and natural disasters often make the situation that much worse.

But after years, however, we can see signs of clear progress. The winds of democracy and openness are sweeping over entire regions in Asia, Africa and Latin America.

Due in part to the support and expertise of industrialized countries, developing nations and local communities are taking control of their own social, economic and democratic growth.

Tangible results

Some countries, especially in Africa, are just starting to see improvement in their quality of life and they face a long road ahead.

The truth is, though, that there have been some extraordinary advances in the developing world. In just three decades, average life expectancy has increased by 17 years and the rate of infant mortality has fallen by half. The average real income of developing countries has more than doubled.

Certain countries in Asia and Latin America have made a dramatic entrance into global markets where they have increasingly become significant trading partners of industrialized countries. The proof of this new reality can be seen in the numerous high-level trade missions to various regions which, a few years ago, drew scant attention.

Coming out of poverty

The reality is that developing countries can overcome poverty. When four-fifths of the world's population still earns only 17 per cent of the world's income, the challenge ahead is enormous. We have already witnessed, however, that local populations can accomplish miracles if they are given the opportunity and the tools to shape their own destiny.

Co-operation and partnership

The best way to fight poverty remains co-operation — at all levels and in all forms. Nobody in Canada should be surprised that the co-operative approach, which has known such success in our country, can be a powerful force for development in other parts of the globe. By bringing together limited resources and a shared sense of purpose, co-ops can become the launching pad of real opportunity, real freedom and real results.

The multiplier effect

In the same way, non-governmental organizations (NGOs) specializing in rural development, nutrition and literacy bring technical assistance to partners in developing countries. The work of NGOs has a multiplier effect. A single project can help hundreds of farmers to increase the yield of their own fields. A few people trained in health promotion can improve the quality of life for thousands of others.

The market economy

Together with one another and with developing countries, donor nations and aid organizations share this partnership approach. Often coordinated by multilateral organizations, international and programs and projects are carried out by building upon the active participation and existing strengths of both developed and developing countries.

And, of course, many businesses are investing in developing nations with a simple awareness that the increasing march to liberalized economies is generating extraordinary new avenues for trade.

Through this process based on common interests, millions of people in the developing world are improving their lives and millions of other people in industrialized countries are improving their economic prospects. That is why there can be no doubt that their future is also our future.

The activities of non-governmental organizations are helping improve the lives of 250 million human beings in developing countries. By the year 2000, the work of NGOs is expected to touch the lives of 400 million people.



Only a decade ago, 75 million children were stricken by measles every year. And two and a half million of those children died during the acute phase of the disease.

In response to this tragedy, the World Health Organization embarked on a massive program to vaccinate 90 per cent of the world's children against six common infectious diseases.

diphtheria, whooping cough, tetanus, polio, rubella and measles. Tremendous work has already been done through the concerted joint effort of developing countries, industrialized nations and a host of non-governmental organizations. The number of cases of measles has been reduced to approximately 25 million annually and the number of yearly deaths is now about one million.

While it was possible to take some solace from the fact that millions of children were rescued from the ravages of the targeted diseases, there was no comfort in realizing that many millions more were dying from other causes.

In some African countries, one woman in 30 risks dying from the complications of pregnancy. In Canada, that number is one in 20,000.

such as malnutrition, diabetes, malaria and respiratory infections.

Towards a new approach

It became essential to make vaccination a part of an overall approach to primary health care so that children are not vaccinated for one malady only to



Illustration: National CRIAP effort

die from some other avoidable cause. The direct involvement of local communities and, most essentially, the women in those communities, is paramount. That is the only viable route to ensuring lasting health care solutions.

This new approach requires a change in attitudes throughout the world — learning to share power as well as knowledge and enabling populations to manage for themselves.

Making services democratic

Berthe Pellétier is a physician in charge of projects at the Canadian Centre for International Studies and Cooperation. She underscores that the emergence of a civil society grounded in democracy will bring about the birth of new and lasting local organizations to meet local needs.

"Our efforts must consolidate the concept of sustainable development in the context of real partnerships. Our objective is to reinforce local capacity through projects with a multiplier effect," explains Dr. Pellétier.

From the perspective of durable development, education and health care projects should focus primarily on women, young people and children, who represent the best hope for change.

Real change will give women the chance to have no influence over birth rates, nutrition, sanitary conditions and the health care needs of themselves and their families.

THE HEALTH OF A NATION DEPENDS UPON ITS MOTHERS

The problems of poverty, population and environment constitute a vicious circle in which poverty contributes to maintaining high rates of demographic growth and reinforces the attacks on the environment. In turn, those two factors come together to perpetuate poverty.

UNICEF Report — 1993

THE SNOWBALL EFFECT

Education is a cornerstone of development. The influence of education cannot be overstated in every area contributing to the quality of life — from health to employment, birth rates to environmental protection, community organization to nutrition.

"Education is one of the best ways to help the most disadvantaged improve their living conditions and build hope for the future."

The Honorable André Ouellet

In development programs across the globe, special emphasis is placed on education of girls for it is girls who often become make up the group most disadvantaged when it comes to access to education.

In many regions of the world, there exists a very strong relationship between a woman's level of education and the number of children she brings into the world.

A study by the World Bank has found that for each year a girl spends in high school, the effects are startling: a drop of 10 per cent in the birth rate, an equivalent reduction in infant mortality, and an increase in family income of between 30 per cent and 20 per cent.

It is in families where at least one parent is educated that the number of children is smaller and the chance of a child's survival is highest. When at least one parent receives a decent education, the children of that family achieve better physical and intellectual de-

velopment. Education allows parents to understand and to adopt better hygiene, better nutrition and better health care — all of the basic factors for healthier children.

It is also clear that as young people, particularly young women, discover the benefits of education, their own children will go to school, stay in school and achieve better results in school.

A higher level of education offers access to better paying employment and that, in turn, enables parents to better meet their basic needs and those of their family. It really is a snowball effect.

Education plays a central role in the social, economic and democratic organization and advancement of communities. A better educated population is more capable of implementing democratic rights, more capable of taking charge of its own development and more capable of ensuring that success is sustainable.

THE UNIVERSITY OF REGINA TRAINS CHINESE SCHOOL PRINCIPALS

As a result of a joint project between the University of Regina and the Educational Institute of Jilin province, 1,000 school principals were trained over three years, benefiting over one million students.

One hundred principals undertook a program aimed at improving teaching practices through exploration, experimentation, collaboration, open discussion and practical theory. The project led to Jilin developing its own teaching center for principals which now operates independently. Several Saskatchewan schools took an interest in the project, hosting Chinese visitors, and one of them even began teaching Mandarin to its students.

Short-term training was provided on specified topics to the other 900 principals. This group will be part of a team to help upgrade educational management skills across Jilin province.

The project was so successful that the Chinese provinces of Hunan and Hubei plan similar initiatives and, with Jilin, the creation of an interprovincial network with Saskatchewan.

This initiative is but one of the more than 1,500 projects organized by Canadian universities in a host of sectors to improve the human resources in developing countries.

COLLEGE CANADA TAKING ON THE WORLD

Hand in hand with partners from universities, the private sector, government agencies and non-governmental organizations, the President of the Association of Canadian Community Colleges, Tom Norton, wants to launch a Canadian assault on the job training market around the globe. His answer: College Canada.



Tom Norton, President of the ACCC

"All developing countries and their citizens have tremendous need for employment training."

And Canadians, with leading edge technologies, have an incredible answer to offer in this area. We ought to organize ourselves to make our products known and all our development partners must join together so that we can reach new markets," says Tom Norton with characteristic enthusiasm.

Norton points out that the majority of international development projects have a learning curve for everyone involved, including the acquisition of specialized training by Canadian businesses before they plunge headlong into global ventures. That's why ACCC and the Canadian Exporters Association recently signed an agreement confirming their determination to work together in Canada as well as abroad.

"The opportunities are so large that with a good working strategy, we'll be able to contribute a tremendous amount to international industrial training... and if we don't, someone else will be there to take our place," concludes Norton.

Co-ops: a model of success

In the industrialized world, co-operatives have allowed millions of people to better their lot in life and to play an active part in economic development. Today, this same formula is showing unquestionable success in developing countries, thanks in no small part to the efforts of Développement international Desjardins and SOCODEVI — a grouping of co-ops and credit unions from several sectors of our economy.

In Togo, women make up 51 per cent of the population and are a vital engine of the country's economy. Although rarely recognized in national statistics, women are at the heart of the country's small business commerce and cultivate about 80 per cent of the foodstuffs.

Women in Togo find it difficult to get credit from traditional financial institutions because they have no collateral to offer. Banks generally show no confidence in them and other lenders impose outrageous interest rates ranging from 10 per cent to 30 per cent a month.

Faced with this problem, it was clear to SOCODEVI that a cooperative solution could simultaneously meet the desperate need for credit and improve the profitability of the women's economic activities.

After a sustained effort to build the women's entrepreneurial and management skills, the mutual credit co-op gradually became a reality.

In 1993, the mutual savings and credit society ADZEDZI was officially opened. Today, the society has 70 member organizations and more



than 900 women have received support from the co-operative. More than \$500,000 in small loans has been provided and the level of loans repaid is 97 per cent.

For the women involved, their mutual society means more money to improve economic activities,

CIDA PARTNER WITH THE DEVELOPING WORLD

The Canadian International Development Agency (CIDA) is responsible for carrying out most of Canada's official development assistance program. Its mission is to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. CIDA's priorities are:

- basic human needs,
- women in development,
- infrastructure services,
- human rights, democracy, good governance,
- private sector development, and
- environment.

More information on CIDA is available at the following numbers:

Telephone: (819) 997-5006

Facsimile: (819) 953-6088

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<http://www.acdi-cida.gc.ca>

strengthened management abilities, better living conditions and an organization controlled by themselves for themselves.

It is one example of sharing savoir-faire based on Canadian excellence that we also find in the agricultural and forestry sectors

"Before thinking about doing business in a country, you need to explore it, understand it, get to know it. You need to make contacts, decipher its culture, and gradually build up a network of partners."

Bernard Poulin knows what he's talking about. For the last 15 years, he's been jumping from one continent to another, and has worked in 25 countries, over half of them developing nations.

For a long time, many groups have been sceptical about the role private enterprise can play in the developing world. Mr. Poulin believes the needs are so great that there's room for everyone in this vast area. He acknowledges having a great deal of admiration for individuals who work in developing countries and those who participate in emergency missions, "because their job is thankless and they show great courage."

Sustainable solutions

In Poulin's opinion, the role of the private sector consists of finding longer term solutions rather than immediate aid sustainable solutions. In most cases, this means working with a country's leaders to change the system and, often, to help make the transition to a market economy.

"You have to be able to isolate the problems, propose effective solutions, secure financing, and set up essential infrastructures," Mr. Poulin explains, adding that most of the development projects run by the SM Group are in the areas of training, privatization, industrialization and the environment.

These are all sustainable initiatives, essential steps towards self-sufficient societies. "I'm fully convinced that self-sufficiency is the product of economic progress," insists the SM Group president. He also feels that "only those companies with a long-term vision, who are not obsessed by short-term gains are successful in this field."

SELF-SUFFICIENCY DEPENDS ON SUSTAINABLE DEVELOPMENT



Investing in discovery

It is important to sink resources into "exploration", often accompanied by visits with several of the country's leaders in order to see how they perceive the workings of our democratic, free market system. It is equally important to forge personal contacts, to gradually overcome mistrust, and take the time to get to know one another. All of this at the company's expense.

Mr. Poulin considers Canadian firms to be very well-positioned on the international stage. Canada enjoys a multicultural, highly qualified workforce with both the technological skills and the socio-cultural knowledge essential to working effectively in foreign countries.

Also, Canada's good reputation around the world is a considerable asset in forming multilateral partnerships which are the key to success in the field of international development.

TOGETHER FOR A BETTER WORLD

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PARTNERSHIP MAKING ALL THE DIFFERENCE IN THE WORLD

Not so long ago, every group involved in international development carried out its projects in isolation. Such an approach is now out of date. Today, international development activities come together under a partnership umbrella. Previously unthinkable alliances are now viewed as a guarantee of a project's viability and success.

Governments from donor and recipient countries wield their efforts to ensure coherent and complementary action plans. The public sector more and more calls upon the private sector. NGOs share their expertise and resources among themselves and with other sectors.

Through new and different forms of partnership, duplication is eliminated, budgets are stretched and resources are allocated more wisely. New partnerships have brought new energy to international development by helping make the most of investments of time, effort and money.

The real recipe for development success requires forming a partnership with local communities. Without local involvement, all other efforts are only partial, all investments are just temporary and all results precarious. This is why all Canadian organizations involved in international development, from NGOs to private firms, must focus on forging alliances with one or more local partners. That is a means of ensuring that action begun with some funding from donor countries will be reaping dividends long after the period of support is but a distant memory.

PEOPLE

GARTH JUST SAYS NO

Canadian singer **Shania Twain**, 30, nearly stole the show when she strayed on stage in a body-hugging shiny black outfit to accept Best New Country Artist honors at the American Music Awards in Los Angeles last week that the real show-stopper was country superstar **Garth Brooks**, who was named Favorite Country Artist—but left his trophy on the podium. Brooks, 35, simply told the audience he didn't believe in the concept of an artist of the year. "No I'm going to lose it here," said the singer, told reporters the trophy he declined should have gone to the pop-rock band **Hole** & like **Wendie**. But over the next two days, he and the events



Johnson: a new attitude among the players

THE RETURN OF MAGIC

He's back—and bigger than ever. Last week marked the triumphant return of basketball superstar **Magic Johnson**, who signed a \$3.4-million contract to play the remainder of the season with the Los Angeles Lakers, the team he led to an NBA title five times in the 1980s. Johnson, 36, had retired from the game in 1991 after stunning the sports world by announcing that he had tested positive for HIV, the precursor to AIDS. His first attempt at a comeback before the 1990-1991 season ended after several players expressed fears about playing on the same court with someone with HIV. The difference this time, says Johnson—who, at six foot, one inches, has ballooned up 27 lbs. to 257 lbs.—is that the players are better educated about the life-threatening risk of catching AIDS during a game. And in fact, opposing players did not hesitate to run it up with Johnson, who, in that week's games, alternated between power forward and point guard. "It's not like we're going out to have unprotected sex with Magic on the floor," says Chicago Bulls guard **Steve Kerr**. "I think we'll be OK."



Curtis: first novel

gave **William Morris Howard** Book Award for distinguished children's literature for his novel, *The Madrasa Go to Birmingham*—1993. "I thought it was somebody playing a cruel practical joke," says Curtis, who wrote the book, dealing with racism from a child's point of view. Adds the 42-year-old author: "This is my first novel—and I had very low expectations." But Curtis, a married father of two children, a teaching high praise for his book.

SCANDALOUS—AGAIN



Madonna, center: Audreie Bandiera: death threats

Pop singer **Madonna** is used to creating controversy, but she may finally have gotten more than she bargained for. Her arrival last month in Argentina to begin filming the \$2-million movie version of the **Andrew Lloyd Webber** hit musical *Evita* seems to have raised the ire of the extreme South American nation. She gets angry. "Madonna got," have been spied on walls. Politicians, trade unions and women's groups are complaining. Argentine artists working as extras have received death threats. The uproar is over the star's star playing the role of former first lady **Evita Peron**. The second wife of former president **Juan Peron** died of cancer in 1967 at the age of 33. Her story still resonates for almost a year for solving up the cause of the poor. "They attack our history and offend our dignity," says congressman **Nelson Rivarola**, but Madonna, who has been traveling about Buenos Aires with a circle of bodyguards, denies that the film will depict the necessary of *Evita*. "We never hinted it might be her or the Argentine people."

A modern solution to smooth legs—for weeks at a time!

Breakthrough technique for removing unwanted hair with less discomfort!



In the late '90s, electronic hair removal products started appearing on shelves across the country, promising a quick and easy solution to unwanted leg hair. Women responded with enthusiasm. By the end of 1997, over 100 million worth of electronic hair removal devices had been sold. These short-pulse lasers, called bare completely flat. Women found none of these devices too painful to be practical. None, a company with

A modern solution. Removing unwanted leg hair can involve safely chemical lasers, electrolysis or waxing. For most women, few of these methods are satisfactory. Shaving requires daily maintenance and often brings with it nicks, skin irritation and ingrown hairs. Waxing is messy and uncomfortable, not to mention uncomfortable. Electrolysis, the only truly permanent solution, is both painful and costly and usually requires months of treatment.

Smooth legs for weeks at a time! The new Silk-epil epilator for women is a true one-time discomfort and instant smoothness of other methods of hair removal.

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- No more money, time consuming and uncomfortable waxing.
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Genetic! Silk-epil gently pulls hair out from the root. Other methods rip out branches of hair at a faster with a vibrating metal coil. By removing hair from the root, you get smooth legs for weeks at a time with less discomfort.



Over many times a month, it gently pulls hair to remove leg hair!

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—Tom A. Taylor, Chicago



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Bolstering the CBC



Copps (left), Jacobs: can high-minded ideals survive in the heat, mean 1990s?

In its 60-year history, the Canadian Broadcasting Corp. has created noteworthy documentaries, the dearest, top-notch journalistic enterprises—and more than its fair share of money reports from royal commissions and parliamentary committees. In many ways, the so-called Jacobs report on the future of the CBC and two other cultural agencies, the National Film Board and Telefilm Canada, is different. It means that the study—released last week—has been the subject of a three-year budget cut of \$280 million and increased competition in a multi-channel universe, has never been under such intense pressure to change. And it is a radical document, proposing major reforms, particularly in CBC Television, which it would make virtually commercial and almost completely Canadian in content, that the report is also remarkable in another way: the degree of controversy it has created, thanks to its proposal for a new tax on television advertising services to pay for the CBC. As taxpayers' associations and private broadcasters cried foul, the Jacobs report's status call for cultural nationalism was all but drowned out by the howls of protest.

Titled *Making Our Voice Heard: Canadian Broadcasting and Film for the 21st Century*, the 200-page document was written by former CBC president Pierre Jacops, TV Ontario

chairman Peter Herndl and Simon Fraser University academic Catherine Murray—members of a mandate review committee appointed last May by then Heritage Minister Michel Dupuy. The report—over months not at least \$4.4 million in the making—is a broad and scintillating review of the condition of the CBC, the NFB and Telefilm. But its most controversial recommendations concern the CBC's television services, Jacops said last week. "I have drilled away from their public service mandate and become too commercial, too preoccupied with ratings and no longer provide enough of an alternative to commercial broadcasting."

Against the committee's key proposals:

- The NFB and Telefilm should both decentralize from Montreal. The NFB should focus more of its resources on production and reduce full-time staff.

- CBC-TV should phase out advertising, "giving up" \$200 million a year to private broadcasters. "Fully Canadianized" its programming and "strategically reduce" its prime-time coverage of sports.

- To replace parliamentary disbursements to the CBC, the finance department should adopt one of three options, including placing

in a 7.5 percent levy on director's-home satellite, cable and long-distance phone services. When fully implemented in 2003, the tax would raise more than \$2.1 billion for the CBC—compared with \$1.26-billion income from Parliament and all revenues last year. Reaction from the key players was swift—and mixed. In Ottawa, newly appointed Heritage Minister Sheila Copps endorsed the goals of the report and, while sidestepping the tax proposal, vowed to do her "damndest" to secure stable funding for the CBC. "I believe there is a strong appetite for supporting a distinctly different CBC," she added. Jan Morrison, spokesman for the lobby group Friends of Canadian Broadcasting, hailed the report's CBC proposals as being "truly critical to the future of the country."

Criticizing the report "has exceptionally elegant defence of public broadcasting," CBC president Pierre Beatty endorsed its recommendation for all-Canada programming—something he had already announced far prior than last November. "Every second of American commercial programming we put on takes us further from our public policy mandate and makes us look more like a commercial station," he added. However, stating that the CBC has implemented one-time efficiency savings of \$227 million, Beatty warned that the committee's suggested additional cut of two per cent a year "would inevitably have an effect on programming."

To the report's many critics, the proposed communications tax was a primary target. Richard Sturberg, president of the Canadian Cable Television Association, estimated that the proposed tax would add about \$2 a month to cable bills. That, he said, would sit on and dry even worse than last year's "aggressive opt-out" clause before the cable industry had to back away from a potentially lucrative plan to bill customers for pay services that they had not specifically declined. "It would make the 1990s revenue of last January look like a low-e," Sturberg added. B.C. filmmaker Jan Abbett, whose party favors presentation of CBC-TV, scoffed at the report's calculation that the tax plan could give \$800 million of government spending back to taxpayers, calling the notion "insidious." The report, he added, is just more of the same old thing. "We ended up spending probably \$2 million for what turned out to be a now and."

In the end, the future of the Jacops report's proposals will depend on the political will of the government. Finance Minister Paul Martin is attempting to streamline the GST—in part, one says, to give the appearance of lowering taxes—a strategy at odds with the creation of any new levy. As elegantly stated as the Jacops report's proposals may be, they must now survive in the decidedly unrefined air of the heat, mean 1990s—an atmosphere that tends to be hard on high-minded ideals.

JOE CHERLEY



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FEBRUARY 16-25th

SKYDOME & METRO TORONTO CONVENTION CENTRE

CONCEPTS AND PROTOTYPES AT THE 1996 CANADIAN INTERNATIONAL AUTOSHOW

The future and what it is to be is always a compelling attraction and especially so it seems when it concerns the design of automobiles. In CIAS people congregate among other patterns in 1995, about 70% ranked future cars as an important reason for attendance. CIAS serves to see what might be coming down the road. It is little wonder then, that almost every manufacturer brings at least one concept vehicle as a centerpiece for their displays.

The 1996 Canadian International Autoshow will be featuring concept vehicles from Ford & Mercury, Chrysler, General Motors, Mercedes-Benz, Mazda, Hyundai, Volvo and others.

Here are a few preview shots



FORD GT90

Ford of Canada will display the GT90 concept supercar at the Canadian International Autoshow at the Metro Toronto Convention Centre, February 16-25, 1996.

The GT90 combines futuristic technology with styling cues from the famed GT40 race car that was born 30 years ago.

The two passenger mid-engine GT90 is powered by a quad turbo V-12 aluminum engine and features an array of leading-edge technologies.

"This car is a real departure from what's been done before in automotive design," said Jack Belknap, Vice President, Design, Ford Automotive Operations. "This is what we call Edge Design - a car that places shapes on top of shapes."

The Ford GT90 also bears a clear design link to the historic GT40 which dominated European road racing in the late 1960s, including four consecutive victories at Le Mans.



MAZDA CX-X

MAZDA CX-X

As you'd want to be seen in... This concept proves that you can have a practical and scientific look at the future of cars and excitement.



MERCURY FUSION

Based on a design idea first developed last year at a Ford concept car, the Mercury Fusion is considered as an entry level Mercury for the young at heart.

The Mercury Fusion has been designed with individual flair firmly in mind. It's a



MERCEDES-BENZ AAV

When the versatile All-Activity Vehicle gets on the road in the fall of 1997, it will mark the debut of an all new Mercedes-Benz design which will embody the safety, on-road performance and comfort of its passenger cars as a rugged, off-road vehicle. Unlike most other vehicles which are truck derived, the AAV will be a new from the ground up, "purpose built" sport/utility vehicle which will set new standards in safety, refinement, fuel economy and four-wheel-drive technology.



HYUNDAI HCD-II CONCEPT

Featuring "state of the art" components like a multi-media navigation unit, trip cost and a "remote" media navigation and control system, Hyundai will present its HCD-II at the 1996 Canadian International Autoshow, as the latest in the line of its HCD concept vehicles.



MAZDA CX-X

TELEVISION

Sense and sexuality

A young woman gets sidetracked by desire

LIVES OF GIRLS & WOMEN

(CBC, Sunday, Feb. 25, 8 p.m.)

The Jane Austen mini-crime—*Pride and Prejudice*, *Sense and Sensibility* and *Persuasion* have all been adapted for TV or film, and three different Austens are in the series—could hardly have been predicted. But the author's popularity should not be all that surprising. In an age where tawdry talk shows and tell-all biographies are the difference between a bad name and a good one, Austen's reserved 18th-century heroines are a joy to know. Although they adhere to strict rules of decorum, their wit and intelligence shines through, and they eventually triumph over adversity. That their strength consistently lies in securing a good marriage partner reflects the structures of their time: few women in the early 1800s could even consider a profession outside the home. Nearly two centuries later, another classic romantic age, another classic romantic age, *Miss Maura's Lives of Girls and Women*, is appearing on the small screen as a long-awaited adaptation.

Teenager Del Jordan is in the state, *Austen* like Jane, but Del's path to adulthood includes becoming a writer and taking a lover: a sort of 20th-century "Sense and Sensibility."

Produced by Toronto's Penguin Entertainment Corp. and directed by Ronald Winters, a Canadian expatriate who has worked on many British dramas, the two-hour movie is a picture-perfect depiction of middle-class British Ontario, right down to the last flowered headscarf and saddle shoe. Like the town of Joliffe itself, nothing much about the ordinary happens in *Lives of Girls and Women*, but the ordinary has its own instant charm and enduring appeal. Del, once the beneficiary of small-town conventionalism, Ada herself is an oddity as Joliffe—agnostic, outspoken and desperate for intellectual stimulation. In a fairly rarefied performance, Crewson projects Ada's mix of awe determination and affecting vulnerability, she subtly conveys the mortal

delusion in no time—in the town is as close as a ride in an *Austen* 18th-century English village. And Del, played by luminous newcomer Tanya Allen, is an expert at doing just that: she's the latest in the line of women who must Del's mother, the writing gets at the country who long to marry a man with a big car, the director's *Del* who look down on Roman Catholics. Together,



McClelland (left), Allen: sweet eroticism, worldly intelligence

they form an erotic social web that both fascinates and enraptures Del.

Del's mother, Ada (Offendy Crewson), is dismissed that her well-read daughter is, despite the limitations of small-town conventionalism. Ada herself is an oddity as Joliffe—agnostic, outspoken and desperate for intellectual stimulation. In a fairly rarefied performance, Crewson projects Ada's mix of awe determination and affecting vulnerability, she subtly conveys the mortal

that led Ada to run away as a youth and put her life through high school, and Ada's earnest, misplaced optimism that Del will eventually lead the life that she missed out on. It is a life that seems to exclude a sexual dimension. "Del is rejected," Ada says. Del: "Owe you make that mistake of being distracted over a man, your life will never be your own."

Del, however, has every intention of getting distracted. Jerry Seinfeld (Matthew Ferguson), her loving roommate and eventually her friend, is out at the question. And Mr. Chamberlain (Dax Lett), the suave local radio host, is a disturbed narcissist. Then pleasure—pure, hedonistic physical pleasure—comes along in the handsome form of Garret French (Dean McDermott), a teacher in Del's school who, while his sexuality contains an undercurrent of danger.

Del meets him during a religious revival that she has attended more to annoy her agnostic mother than out of any real interest. In a perfectly evocative scene, what through with golden light and the sound of ringing gospel singers, Garret settles in beside her in the pew. Looking straight ahead, he slowly caresses each finger of Del's hand. Her gentle, deliberate movements mark the beginning of an affair that puts Del into a prolonged sexual trance. She can hardly contain her on her opening scenes, the scene that she expected to see her a scholarship and a new life.

Scriptwriters Charles R. Pitts and Kelly Risher have done a good job of shaping Maura's initial short-term interests into a coherent whole. But as the script gets fully underway the pleasure of Maura's prose or the complexity of Del's interior life (Del's momentous dialogue—true to the book's first-person narrative—reads like a mad rant of her immature frustration against her mother, despite being confined to a role that mostly requires her to react, Allen projects both dimensions and a lovely youthful intelligence. She and Crewson together form a perfect balance, one between the inner and the outer world.

Like Austen's heroines, Del eventually finds her way in the world. But in the world where the lives of girls and women are about to change irrevocably—a world requiring sense and sensibility.

DAVID TURBIDE

CASTROL TO SPONSOR AUTOWORLD '96

Castrol, one of the world's foremost names in motor oils and lubricants will be a headline sponsor and the featured sponsor of the Canadian International Autoshow's popular automotive-scientific, AUTOWORLD '96.

"CASTROL AUTOWORLD is a defining attraction at the Canadian International Autoshow," says Tom Tanks, the Show's General Manager. The 30,000 square foot area circles the 800 Level of SkyDome and features exhibits of every possible automotive affiliation. "It's a total automotive experience," adds Tanks, "containing in-vehicle displays, clubs, government, retail and accessory exhibits as well as feature attractions for the whole family like the RCMP Racing Against Drugs slot racing track and the Porsche Speedtrap."

For its part Castrol will feature a huge 2000 sq. ft. representative sampling of the many types of motorsport sponsorship for which the Castrol brand identification is well established.

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Diefenbaker lived an egomaniacal and unapologetic Canadianism

BOOKS

Not the same old Tory

ROGUE TORY: THE LIFE AND LEGEND OF JOHN G. DIEFENBAKER

By Denis Smith
(Macleod's Writer & Star, 202 pages, \$39.95)

Lucien Bouchard seemed capable of walking on water in last fall's referendum on Quebec sovereignty. Rapt crowds surrounded him, yearning to touch him, to grasp the form of his greatness. Nearly 40 years ago, another manising politician, John G. Diefenbaker, cast the same kind of spell. Less than a year after he had ruled 22 years of some Liberal rule with a citizen's victory in 1951, Dief the Chief led his Tories to a wave of popular adulation, to the greatest parliamentary majority in Canada's history. Sadly, although Diefenbaker campaigned like a god, he governed like a child. His prime ministerial three turned out with astonishing speed, and by 1963 he was out of office for good. Nowhere is it written that Bouchard, Quebec's new premier, will suffer a similarly sharp fall from grace. But Diefenbaker's career is a cautionary tale for Canadians wanting to put their country's salvation in the hands of inflexible valentines with messianic appeal.

Denis Smith tells the tale with cool precision in *Rogue Tory: The Life and Legend of John G. Diefenbaker*. Prime-candidate Smith, a political scientist at the University of Western Ontario in London, freely recreates Diefen-

baker's life and times, from his birth in rural Ontario in 1895 to his lonely death in 1979, shortly after his 15th consecutive election to a Saskatchewan seat in Parliament. Smith gives fair value to Diefenbaker's personal prowess as a Prairie lawyer and politician, and to his government's achievements: the Bill of Rights, wheat sales to China, farm revitalization in the West, a new focus on the North, the championing of minorities that the government's total weakness reflected. Diefenbaker's own delusions—"For years," writes Smith, "he filled the air with vague and reckless talk of conspiracies, dark networks of enemies who were working to dismantle Canada or destroy his independence"—find no league with Washington, then in league with Quebec, always in league with the Liberal party. He made the personal style dominant in Canadian politics.

Rogue Tory is a superbly documented life of the public rather than the private man. Smith does not speculate about his subject's sexual habits, but merely notes that his first marriage, to Edna MacBrewer, did not produce any children (Diefenbaker asserted his second wife, 50-year-old Olive Fremstad, Folger, in 1959). He is relatively discreet about Brewster's infidelities and mental illness, even when citing letters from the personal diary of Conservative MP Rodney Adams, who accused Edna about her lovers. Adams's words Smith cryptically "used color language in the diary to describe her embroiled sexual appetites."

In 1951, Brewster died of leukemia at age 59, after suffering periods of depression and an ongoing electric shock therapy. In one of the few passages where Smith explores the private Dief, he strongly suggests that Brewster was driven to the brink by her husband's relationship with his political career, his lunatic and what the author describes as a "daylong" entanglement with his mother.

Smith's account of Diefenbaker's six years in power is a scholarly thriller, detailing the prime minister's destructive and unnecessary conflicts at home and abroad. British Prime Minister Harold Macleod precisely called him "a megalomaniac" and "a very crooked man." In a confidential dispatch, U.S. ambassador Walton Butterworth reflected Diefenbaker's "psychopathic egotism" of American letter-freedom and his protracted indecisions over accepting nuclear warheads for the Bomarc missiles in Canada. "He is [and] unpredictable, an scrupulous political animal at bay."

Diefenbaker's walling on the nuclear issue—partly emanating in his deep distrust of President John Kennedy—was typical of his erratic handling of other issues: mass unemployment, the run on the Canadian dollar, the Cuban crisis, the French fact in Canada. But it was the nuclear issue that finally led to his government's defeat in the Commons and opened the way for a Liberal majority victory in 1963. After losing the election, Diefenbaker told a friend that he'd originally gone to Ottawa "to see what I could do for the common people and the big people despised me—the most powerful nations."

That comment defined Diefenbaker's self image: The Tory politician, writes Smith, "basked the legend of a morally triumphant underdog, the representative Canadian common man." But there is more than a legend at work. John Diefenbaker was, and is, a kind of survivor in the nation's molecular structure: a popular figure. A man who was loved as egalitarianism and unapologetic Canadianism and who was neither feared nor hostile to the English-French duality. He often thundered from the podium over Canada, without discrimination.

Diefenbaker stood for the demise of the old Canada, with its centralized power-holding and its domination by English- and French-Canadian elites. A quarter-century later, the Canadian force for change that he represented is pregnant again in the West, and shivering towards Ottawa to be born. Soon, the crusades for One Canada of Equal Promises will lock battles with the nationalists in Quebec and the intellectual federalists at the centre. What awaits us? Diefenbaker himself, bitterly joking about merit stars on his German name, once repeated a cruel but appropriate parody of his own name: Double, Double, Diefenbaker, Diefenbaker and Diefenbaker. Diefenbaker as a god and the witch of his name are back at the cauldron.

JAMES SHAWAT

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